

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

For the year ended  
31 July 2024

# Key Management Personnel

Key Management Personnel is defined as the Executive Management Team and was represented by the following during the period 2023-24:

|   |                                    |
|---|------------------------------------|
| <b>Principal &amp; Chief Executive and Accounting Officer</b>       | Julia Gray                         |
| <b>Vice Principal (Corporate Services &amp; External Relations)</b> | Joanne Ward until 31 May 2024      |
| <b>Vice Principal (Curriculum &amp; Quality)</b>                    | Catherine Howett until 31 May 2024 |
| <b>Deputy Principal</b>   | Catherine Howett from 1 June 2024  |
| <b>Executive Director of Finance and Funding</b>                    | Tim Peacock until 31 May 2024      |
| <b>Chief Operating Officer</b>                                      | Tim Peacock from 1 June 2024       |

## Board of Governors

A full list of Governors and Clerk to the Corporation is given on pages 18 & 19 of these financial statements..

## Professional Advisers

|                             |  |                    |   |
|-----------------------------|--|--------------------|---|
| <b>Independent Auditor:</b> | Haines Watts (Western) Limited<br>Statutory Auditors<br>3 Southernhay West<br>Exeter<br>Devon<br>EX1 1JG   | <b>Bankers:</b>    | Lloyds TSB<br>Canons House<br>Canons Way<br>Bristol<br>BS99 7LB           |
| <b>Internal Auditors:</b>   | Bishop Fleming<br>10 Temple Back<br>Bristol<br>BS1 6FL   | <b>Solicitors:</b> | Burges Salmon<br>One Glass Wharf<br>Bristol<br>BS2 0ZX                    |
| <b>Bankers:</b>             | National Westminster Bank plc<br>32 Corn Street<br>Bristol<br>BS99 7UG<br><br>Barclays Bank plc<br>Bristol and North Somerset Group<br>PO Box 207<br>Bristol<br>BS99 7AJ |                    | Osborne Clarke<br>2 Temple Back East<br>Temple Quay<br>Bristol<br>BS1 6EG |

# **Members' Report and Financial Statements**

## Contents

|   |    |
|---|----|
| Members' Report   | 4  |
| Statement of Corporate Governance<br>and Internal Control                     | 17 |
| Statement of Responsibilities of the<br>Members of the Corporation            | 27 |
| Independent Auditor's Report to the<br>Corporation of City of Bristol College | 28 |
| Reporting Accountant's Assurance<br>Report on Regularity                      | 32 |
| Consolidated and College Statements<br>of Comprehensive Income                | 34 |
| Consolidated and College Statement<br>of Changes in Reserves                  | 35 |
| Consolidated and College<br>Balance sheets                                    | 36 |
| Consolidated statement of<br>Cash Flows                                       | 37 |
| Notes   | 38 |

# Objectives and Strategy

The governing body present their annual report together with the financial statements and auditor's report for City of Bristol College for the year ended 31 July 2024.

## The College

City of Bristol College is a large further and higher education college situated in the heart of Bristol. It received a full inspection by Ofsted in January 2023. Inspectors judged the overall effectiveness of the provision to be 'Good'.

It offers a wide range of academic and vocational qualifications across Bristol, with more than 1,000 courses available from entry to degree level and provides education and training to over 14,000 learners.

## Legal Status

The City of Bristol College Corporation (the "Corporation") was established under the Further and Higher Education Act 1992 for the purpose of conducting the business of City of Bristol College (the "college"). The college is an exempt charity for the purposes of Part 3 to the Charities Act 2011.

## Subsidiary Companies

The college has three subsidiary companies. Any surpluses generated by these subsidiary companies are transferred to the college under Gift Aid where possible.

| Name                                      | Nature of business             | Trading status |
|---|--------------------------------|----------------|
| Partners in Bristol Limited               | Education & Training           | Trading        |
| Bristol Professional Services Limited     | Staff services                 | Trading        |
| South West Apprenticeship Company Limited | Apprenticeship Training Agency | Trading        |

## Mission, Vision, Strategy and Objectives

The College undertook a wide-ranging review of its Strategic Plan in the summer of 2024, consulting with external and internal stakeholders in order to set out its "Where Next?" strategy which will continue to meet the needs of learners and employers across the city region between 2024 and 2029. An interim review of the strategic plan will be undertaken after 3 years.

**Our Mission** We are City of Bristol College, we will deliver transformative education in dynamic learning environments

**Vision** Through educational excellence we will underpin the economic growth and productivity of Bristol and the wider West of England region.

## Values

**Boldness** We will innovate and take risks for the benefit of our students, communities and employer stakeholders.

**Respect** We will work and learn in an environment of mutual respect, valuing diversity.

**Inclusion** We will be ambitious for all of our students, colleagues and stakeholders.

**Sustainability** We will commit to sustainable practices and green skills delivery.

**Teamwork** We will work collaboratively, and our teamwork will deliver high performance.

**Openness** We will be open to new ideas, perspectives, cultures and learning experiences, creating an inclusive and welcoming environment.

**Learning** We commit to lifelong learning, continuously striving for knowledge, skills, and innovation.

## Public Benefit

City of Bristol College is an exempt charity within the meaning of Part 3 to the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 18 to 19.

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. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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

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

## College Centres and Assets

The College operates four main centres in Bristol at: Ashley Down, College Green, Parkway/Advanced Engineering Centre and two centres in South Bristol: The South Bristol Skills Academy and the new Advanced Construction Skills Centre, offering excellent facilities including purpose-built, well-equipped classrooms and workshops.

During the year the college received an overage payment of £694k in relation to a previous disposal of assets at Lawrence Western.

During FY23 the college, in partnership with Bristol City Council began construction of a new independent living facility on its Ashley Down campus. The facility opened to students in October 2023.

## Investment in New Facilities

The College has made significant capital investments during FY24, using both its own reserves and capital grants announced and received during the year.

In FY24 the college was awarded £10.5m of "Capital Transformation Funding" (CTF) from ESFA. A number of projects have completed or have started during the year including:

- Replacement of lighting to LED and replacement of lighting management system at the South Bristol Skills Academy
- Redevelopment of the College Green reception area to include a coffee shop as well as refurbishment of the outside areas
- Refurbishment of the sash windows at Ashley Down which are protected by the listed status of the building
- Replacement of the LAN and WIFI networks across all campuses
- A variety of other smaller repairs and upgrades to buildings.

A number of other CTF funded projects will commence until the grant is fully spent by March 2026.

In addition to the above, the college received £755k in funding for T-Level equipment which is being invested into equipment for the delivery of T-Levels in FY24, FY25 and beyond.

## Staff

The college employ circa 865 staff and in the past year has implemented a large number of initiatives focussing on colleagues as we further embed our people-first culture. These initiatives have all been successfully implemented and include:

- Providing colleagues with a dedicated staff welfare room at each College centre adding new furniture and facilities
- Reviewing the Hybrid Working policy with unions, one year after successful implementation
- Embedding the Right to Disconnect policy with new email footers inline with new branding
- 40+ line managers have 'graduated' through the Management Academy adding to 60 the year before
- Ran the 'In House Fundamentals' Management Academy with focus on management development and launched 'Aspiring Leaders' for those not yet in a management post with 45 attending and graduating
- Held the annual staff awards, Christmas staff gathering and 'Summerfest' end of term staff celebration
- Staff thanks incentive with monthly winners recognised college wide celebrated it's first anniversary with over 750 nominations
- Completed the second year of our new employee forum meetings with staff representatives continuing in to next year
- Offered new benefits to staff including a paid fertility treatment policy and became Fostering Friendly accredited with the Fostering Friendly network
- Refreshed the new employee welcome event attended by Executive to meet new colleagues and welcome them to College whilst talking about our mission, vision and values
- We reported that our gender pay gap had halved from the previous reporting year and is below sector average
- We were awarded the West of England Combined Authority (WECA) 'supporter' status as part of the Good employment Charter, recognising our exemplary recruitment practices
- And finally, the HR team were winners at the prestigious CIPD annual awards for the Best HR Team – public sector which is a testament to all of the work undertaken above.

All of the above will continue with more new things taking place in line with the strategic action plan launched in 2024, and the aim is to upskill managers to support staff and have meaningful conversations and ensure that everybody is aware of their responsibility in contributing to the college's new strategy and mission. Everybody is key to our success and we need all employees to know this. We have to put our people at the heart of the college and empower both our managers and employees.

Upcoming work will focus on embedding the above as well as a work on:

- Broadening the diversity of colleagues to be representative of our students and communities
- Creating a high-performance workforce by embedding psychological safety
- Ensuring efficient and effective communication through the college.

## Staff and Student Involvement

Good continued communication with employees remains very important to the college. Alongside the use of Connect, all staff receive email communication and regular updates from the Chief Executive and senior members of staff.

A reinvigorated staff awards ceremony was held at the end of the year to recognise outstanding performance and CPD events have been delivered both virtually and in person.

## 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.

|                             |                            |
|-----------------------------|----------------------------|
| Average number of employees | 814                        |
| FTE employee number         | 634                        |
| <b>Percentage of time</b>   | <b>Number of employees</b> |
| 1-50%                       | 5                          |
| 51-99%                      | 1                          |

|   |       |
|---|-------|
|   | £'000 |
| Total cost of facility time   | 98    |
| Total pay bill (excluding restructuring)  | 26404 |
| Percentage of total bill spent on facility time                                       | 0.37% |
| Time spent on paid trade union activities as a percentage of total paid facility time | 0%    |

## Learners

**14-19 year-olds:** The College is the largest provider of post-16 education in Bristol with 3,400 16-18 year old students following College-based or Apprenticeship programmes. The College also links with several local schools to provide learning for 14-16 year olds.

**Adults:** Over 10,500 adults choose to study with the college each year at one of our four main centres, at one of its local community partner venues or in their own workplace.

**Apprentices:** The College is a large provider of Apprenticeships with around 1,000 of its students aged 16-18 and 19+ studying for an Apprenticeship at the college.

**Higher Education students:** By working together with universities and awarding bodies, the college has made significant contributions to the delivery of Higher Education in Bristol. These include developing specialist courses for the region, and generally widening participation in Higher Education in the area. There were some 300 students studying on HE courses with the college in 2023-24.

## Stakeholders

The College works collaboratively with civic and community stakeholders, with employers and with other education providers.

The most recent Ofsted Inspection (January 2023) confirmed that the college works well with stakeholders making a reasonable contribution to meeting skills needs.

Our key stakeholders include:

- Our current, future and past students.
- Our staff and their trade unions. The trade unions of which CoBC staff are members are the University and College Union, National Education Union and Unison.
- The College works with a number of key employers in the City, a large number of Small and Medium Entities (SMEs) and is the national Apprenticeship provider for DAF trucks through a Skillnet contract.
- The College's wholly owned subsidiary company, Partners in Bristol (PiB), responds to the needs of employers at pace. PiB have close partnerships with the Department for Work and Pensions (DWP) and Job Centre Plus alongside other employers including through Sector based Work Academies (SWAPs) which help meet the needs of those furthest from the workplace.

- The College's wholly owned Apprenticeship Training Agency, the South West Apprenticeship Company (SWAC) has many years' experience of recruiting, placing, employing and mentoring apprentices placed within SMEs and larger levy paying hosts continuing to offer a service to those companies that would not otherwise engage with apprenticeships.
- Links with local schools and specialist training providers.
- Links with our two local Higher Education Institutions, the University of the West of England (UWE) and the University of Bristol (UoB), remain strong and joint activities continue to be developed including through the Civic University agreement.
- The College remains the largest provider of Special Educational Needs and Disabilities (SEND) provision in the local area and enjoys a close ongoing relationship with Bristol City Council.
- As the city's principal provider of English Speaking for Other Languages (ESOL) qualifications we have been responsive to the changing learners arriving from overseas including learners from Afghanistan, Hong Kong, and Ukraine, working closely with Bristol City Council and the DWP.
- The College works closely alongside the West of England Combined Authority (WECA) and Business West, including around the Local Skills Improvement Plan (LSIP), and with other providers through the Local Skills Improvement Fund (LSIF) as part of the Institute of Technology plus (IoT+).

Further information about how the college works with stakeholders can be found on the college website.

## Reputation

The College successfully achieved a Good rating from Ofsted this year and continues to be the first-choice partner for the delivery of skills, academic and vocational education for many city partners. As the largest regional provider of ESOL qualifications the college has an excellent reputation not only for the education provided to ESOL adults and young people, but the wraparound care and support for those who are newly arrived into the city of Bristol and its surrounding areas. Further investment from Bristol City Council to support the in-region residential care of young people with Education Health and Care Plans, further cements the reputation for high-quality support and education provided to young adults

with special educational needs and disabilities. The responsive, high quality delivery of the subsidiary company Partners in Bristol has ensured that the DWP have a reliable and proactive regional partner in the delivery of education to unemployed adults with the aim of returning quickly to the workforce. Excellence in partnerships in health and childcare are paving the way to a regional reputation for sector leading education through the use of artificial intelligence to support education.

## Operating and Financial Review

During 2022/23 City of Bristol College achieved both Ofsted Good and financial health Good following many years of "requires improvement" grades in both areas. These grades are as a result of significant focus on both the college's quality and on its financial efficiency.

### Financial Highlights

The College delivered a sector-specific EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) of £4m which was better than budget but a slight decrease from the £4.2m generated in 2022/23. This result shows a consistently good financial health of the college for the last two years.

The EBITDA translates to a group operating profit before other gains and losses of £2m (2022/23: £145k) after a £200k credit (2022/23 £1.1m) charge related to the annual FRS102 pension charge and related interest expense which is not a cash cost. The underlying trading position is cash generative showing cash generated from operations of £3.3m (2022/23: £1.2m).

Income from 16-18 year olds and associated high needs funding has increased by £2.95m compared to FY23 as a result of funding rates of 4.6% and high student numbers. In addition, the college saw a £0.3m of in year growth AEB funding from devolved authorities and Bootcamp funding of £880k which is a new stream of funding in FY24. Apprenticeship income started to grow again following a slow recovery from COVID-19, however in line with national trends HE and commercial income has continued to reduce.

The ESFA financial health score for FY24 is "good" as per FY23.



## Financial Performance 2023/24

In order to compare total operating out-turn with cash-generating trading, a table is presented below. This shows the relationship between Total Deficit for the year and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which is not shown separately on the Statement of Comprehensive Income, but provides a useful measure of underlying cash-based trading. Sector-specific EBITDA, a measure used by the ESFA in assessing financial health, is also shown below.

|                                       |                                  |           | 2024         | 2023         |
|---------------------------------------|----------------------------------|-----------|--------------|--------------|
|                                       |                                  |           | £'000        | £'000        |
| Total surplus/ (deficit) for the year |                                  |           | 1,743        | (183)        |
| Eliminate                             | Taxation                         | (note 12) | -            | -            |
|                                       | Loss/(Gains) on sale of assets   |           | 290          | 328          |
|                                       | Depreciation and amortisation    | (note 14) | 2,880        | 3,178        |
|                                       | Impairment of fixed assets       | (note 14) | -            | -            |
|                                       | Investment income                | (note 6)  | (413)        | (118)        |
|                                       | Interest expense                 | (note 11) | 973          | 1,411        |
|                                       | <b>EBITDA</b>                    |           | <b>5,473</b> | <b>4,616</b> |
| Eliminate                             | Grant releases                   |           | (1,082)      | (848)        |
| Add Back:                             | FRS102 pension (credit) / charge |           | (422)        | 431          |
|                                       | <b>Sector EBITDA</b>             |           | <b>3,969</b> | <b>4,199</b> |

Sector EBITDA has decreased from £4.2m in 2022/23 to £4m in 2023/24. The below table shows income, pay and non-pay with the above adjustments removed.

|                      | 2024         | 2023         | Movement     |
|----------------------|--------------|--------------|--------------|
|                      | £'000        | £'000        | £'000        |
| Income               | 48,376       | 43,616       | 4,760        |
| Pay                  | (30,477)     | (26,485)     | (3,992)      |
| Restructuring        | (123)        | (15)         | (108)        |
| Non-pay              | (13,807)     | (12,917)     | (890)        |
| <b>Sector EBITDA</b> | <b>3,969</b> | <b>4,199</b> | <b>(230)</b> |

The group has seen an overall increase of £4.8m in income.

The college saw significant growth in 16-18 funding in FY24 as a consequence of increased funding rates of 4.6% and an increase in student numbers. Total 16-18 income increased by £2.9m compared to FY23. The college has continued to see additional COVID-19 related funding for the 16-19 Tuition Fund of £478k which has directly benefitted its students.

Adult education has seen an increase in income of £0.3m as a result of an in year growth bid due to the increase in numbers in both the devolved and non-devolved areas. In addition, Bootcamp income has been included in FY24 of £880k which is a new stream of income. All non-devolved income in FY24 is generated through the devolved West of England Combined Authority (WECA).

Apprenticeship numbers continue to grow and income has a small increase compared to last year.

The college was part of an Institute of Technology consortium (IOT+) and benefitted from funding to develop its staff and curriculum.

Other income has decreased in total by £282k compared to FY23 primarily coming from an decrease in activity in the college's subsidiary The South West Apprenticeship Company Ltd (SWAC), an Apprenticeship Training Agency.

During the year a subsidiary company, Partners in Bristol Ltd made a gift aid donation of £707k to the college which is recognised as investment income. This is eliminated within the consolidated accounts.

The college continued its focus on curriculum efficiency during the planning for FY24 which had a positive financial impact on pay costs. The overall result is a pay to income ratio of 66.7%, which is in line with target and sector benchmarks. The college issued a consolidated cross-college pay award of 6.5% from 1 August 2023 which was above the industry average.

Non-pay costs have increased by £890k compared to FY23 with increases in utilities and ICT. A large portion of the increased non-pay is for Bootcamp fees which is a new cost in 23/24 and is offset by Bootcamp income included in Funding Body Grants. The college has also felt the impact of inflationary increases on certain costs such as building materials.

The college has benefitted from a significant increase in capital funding from both the DfE and the West of England Combined Authority this year, with total cash receipts of £9.8m. Most notably, the college has been awarded a grant of £10.5m under the Capital Transformation Fund, of which £2.5m was received in FY23 and the balance of £8m was received in FY24. Following consultation with staff, students and stakeholders, the college is embarking on an extensive works programme until March 2026 to improve the condition of its estate.

Not all of the grant funding received in year was fully spent at the year-end, with £11.1m of cash balances at the year-end relating to unspent capital funds.

Further details of the college investment in facilities can be found in the "investment in New Facilities" section above.

Total comprehensive income for the year is £1.9m (2023 £15.5m), reflecting actuarial losses in the LGPS pension scheme of £862k (2023 £15.7m gain). The net LGPS pension liability as at July 2024 has increased by £657k.

## Going Concern

The financial statements are prepared on a going concern basis. The group reported a operating surplus for the year ended 31 July 2024 of £1.7m and has net current assets as at 31 July 2024 of £11.1m. Included in the net assets is £11.1m of restricted cash relating to unspent capital grants, leaving adjusted net current assets as £nil.

Management have prepared, and the Board of Governors reviewed cash flow forecasts which indicate that, taking account of severe but plausible downsides, the group and college will have sufficient funds to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements (the going concern assessment period).

## Financial Objectives

The college submitted a new two year financial plan to the Education and Skills Funding Agency in July 2023. The Agency assesses financial health of organisations by the scoring of three key metrics:

- Adjusted current ratio
- Sector EBITDA (Earnings before Interest, Taxation, Depreciation and Amortisation) as a percentage of income
- and borrowing as % of income.

The college's auto-score for the year to July 2024 was "Good". The college's objective is to have a financial health score of Good. The planned financial health for the following years is as follows:

| Ratios                      |  | 2024 actual | 2025 budget | 2026 plan   |
|-----------------------------|--|-------------|-------------|-------------|
| 1                           | Adjusted current ratio                       | 1.33        | 1.49        | 1.55        |
| 2                           | EBITDA as a % of income - education specific | 8.1%        | 7.67%       | 7.83%       |
| 3                           | Borrowing as a % of income                   | 21.7%       | 16.2%       | 12.35%      |
| <b>Calculation of grade</b> |  |             |             |             |
| 4                           | Adjusted current ratio                       | 60          | 70          | 70          |
| 5                           | EBITDA as a % of income - education specific | 70          | 70          | 70          |
| 6                           | Borrowing as a % of income                   | 70          | 80          | 80          |
| 7                           | <b>Total points</b>                          | <b>200</b>  | <b>220</b>  | <b>220</b>  |
| 8                           | <b>Financial health grade (automated)</b>    | <b>Good</b> | <b>Good</b> | <b>Good</b> |

In addition to the ESFA financial health assessment, the college has set a full range of quality and financial Key Performance Indicators (KPIs), encompassing short-term and long-term targets which are delivered by the Financial Plan. This full suite of KPIs is monitored by the college and Governors.

The college has adopted the key financial benchmark KPIs published by the FE Commissioner (FEC) to monitor its financial performance. Performance against these KPIs is as follows:

|  | 23/24 (Actual) | 24/25 (Budget) | 25/26 (Plan) | FEC Benchmarks      | Within Target Range by FY26 |
|--|----------------|----------------|--------------|---------------------|-----------------------------|
| Adjusted operating surplus as a % of income (excluding impairment) | 3.67%          | 2.89%          | 2.97%        | >1%                 | Yes                         |
| Debt service cover ratio   | 1.24           | 1.36           | 1.92         | >2                  | No                          |
| Lowest month cash days in hand                                     | 46             | 40             | 40           | >25                 | Yes                         |
| Adjusted current ratio   | 1.33           | 1.49           | 1.55         | >1.4                | Yes                         |
| Staff costs as % of income (group position)                        | 66.8%          | 67.4%          | 67.3%        | <65 % (GFE)         | No                          |
| Staff costs as % of income (FE only position)                      | 65.9%          | 66.6%          | 66.3%        | <65 % (GFE)         | No                          |
| Financial health grade   | Good           | Good           | Good         | Good or Outstanding | Yes                         |

The group views staff costs as a % of income as both the group figure and the figure for Further Education (FE) only. Separation is important since the subsidiary the South West Apprenticeship Company Ltd has a high ratio due to the nature of it being an Apprenticeship Training Agency (ATA) and this therefore skews the FE measure.

## Cash Flows

The college has significantly improved its cash position following the receipt of £8.1m of Capital Transformation Funding in April 2024 and due to its trading performance. The high cash balance of £15.8m at the year-end is due to £11.1m of restricted cash relating to unspent capital grants. In the year ended 31 July 2024 net cash inflow was £9.1m (2022/23 £5.4m). The college has generated operating cash inflows of £3.4m (202/23 £1.2m).

Cash flows from investing activities, net of grants received was £8.4m (2022/23 £6.8m). The college received £695k in relation to the Lawrence Western overage payments, and £9.7m in capital grant funding (of which £11.1m remains unspent at the year-end of total grant funding). The college invested £2.4m of cash into capital projects and equipment during the year. Due to surplus cash, and an improvement in interest rates, the college generated £413k of interest and investment income during the year.

Debt and finance repayments totalled £2.7m (2022/23 £2.7m).

The college continues to monitor its cash flow on a regular basis to ensure that commitments are met and that ongoing financial sustainability is maintained.

## Treasury Policies and Objectives

Treasury management is the management of the college's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The college has a separate treasury management policy in place which sets out the objectives of treasury management to:

- Provide a means by which the college can meet its commitments;
- Ensure that sufficient sums are available at short or no notice to meet foreseeable requirements; and
- Earn an acceptable rate of return on surplus funds without undue risk.

## Sustainability and Environment

Bristol was the UK's first ever European Green Capital, the first UK city to declare a climate emergency and the first UK city to publish a Voluntary Local Review of implementation of the United Nations' Sustainable Development Goals (SDGs). The College has joined with partners from across the city taking forward the Green Agenda.

Our Action Plan sets out how we will support Bristol's climate change ambitions and, through doing so, contribute to local, regional, national and international targets through our Estate. We will also teach the next generation of sustainability champions through our curriculum and through extra curricula activities.

The college has signed up to the Bristol One City Climate Ask as we are working towards becoming net zero.

## Strategic Plan

Following significant internal and external consultation, in the Summer of 2024, the college Corporation approved the new 'Where Next' Strategic Plan and accompanying Mission, Vision and Values. The plan was drafted in response to the improving reputation of the college and sets out a clear Vision on its journey to excellence.

Performance against the strategic plan is monitored by the Executive Team, Strategic Leadership Team and Corporation through Committees and Main Board.

## Transparency Arrangements

The Corporation has adopted the Association of Colleges Code of Good Governance for English Colleges and assesses that it is fully compliant with the provisions of the Code. The Corporation also has regard to the Corporate Governance Code (2018) and the Charity Governance Code drawing upon best practice available and regulatory requirements as they relate to the Further Education and Charity sectors.

Board Minutes are published on the website once they have been approved and adopted at the next meeting.

Full minutes of all meetings (except Remuneration Committee and Confidential Minutes) are available upon request from the Clerk to the Corporation by email:

**governance@cityofbristolcollege.ac.uk** or by writing to

The Clerk to the Corporation  
City of Bristol College  
College Green Centre  
St Georges Road  
Bristol BS1 5UA

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is published on the college website on the Corporate Governance pages.

## Taxation

The majority of the college's activities are not subject to corporation tax. Taxable profits generated in subsidiary companies are donated as gift aid to the college where possible.

## Principal Risks and Uncertainties

The college's risk management framework which strives to embed risk management in all that it does was updated during FY23-24 to improve the clarity, reporting, and ownership of strategic risks. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Corporate Governance and Internal Control.

A risk register is maintained at the Group level which is reviewed at each meeting of the Audit Committee and relevant risks reviewed at Finance and Resources Committee and Quality Committee. 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. The main risk factors affecting the Group are outlined below along with the action taken to minimise them. Not all the factors are within the Group's control. Other factors besides those listed below may also adversely affect the Group.

|   |   |
|---|---|
| 1 | 16-18 - Failure to meet local needs in successful curriculum delivery and good outcomes for students through quality of learner experience and TLA  |
| 2 | 19+ - Failure to meet local needs in successful curriculum delivery and good outcomes for students through quality of learner experience and TLA  |
| 3 | Apprenticeships - Failure to meet local needs in successful curriculum delivery and good outcomes for students through quality of learner experience, positive and responsive employer relations, and TLA |
| 4 | HNF - Failure to meet local needs in successful curriculum delivery and good outcomes for students through quality of learner experience and TLA  |

|    |   |
|----|---|
| 5  | Higher Education - Failure to meet local needs in successful curriculum delivery and good outcomes for students through quality of learner experience and TLA |
| 6  | Legal - Serious breach of statutory duties and/or legal obligations   |
| 7  | Finance - Failure to deliver financial sustainability   |
| 8  | Digital - Significant operational disruption due to IT incident, or failure to deliver on strategic objectives  |
| 9  | Staff - Failure to attract, develop and retain the best staff to support the college's vision and values  |
| 10 | Property - Failure to provide college property whose size and condition is fit for purpose, compliant and efficient   |
| 11 | Governance - Failure to develop and maintain an effective corporate governance and internal control framework   |
| 12 | Sustainability - Failure to respond to climate change and meet the College's Sustainability ambitions   |
| 13 | Funding Compliance - Failure to comply with funding regulations   |
| 14 | Growth - Failure to recruit student numbers to curriculum plan and be responsive to in year opportunities for growth  |

## Quality

City of Bristol College received a full inspection by Ofsted in January 2023. Inspectors judged the overall effectiveness of the provision to be good. This is the first time the college has been above requires improvement in 13 years. The college has had three monitoring visits since the last full inspection in 2019 which each demonstrated the significant progress being made.

During the inspection, Ofsted noted the following strengths:

- Students and apprentices interact well with their peers and college staff, creating a culture of mutual respect and inclusivity
- Most students and apprentices study in calm and welcoming environments, maintaining high behaviour standards
- The college actively collaborates with employers and stakeholders to meet current and future skills needs, aligning well with local and regional priorities
- Employers have substantial involvement in curriculum design, ensuring that most programmes are relevant and preparing students for the world of work
- Most teachers are knowledgeable and experienced, using logical planning and relevant resources to support student learning
- The college has effective safeguarding measures in place, including safer recruitment practices and a clear process for managing concerns.

Learning points and improvement activities from the inspection continue to be implemented and monitored in line with the college's commitment to enable all students to achieve their potential by delivering high-quality education, training and support to meet wider needs. Quality continues to improve with Achievement Rates for 2023/24 at 87.8%, an increase of 3.3pp on the previous year despite a challenging external education landscape. This is highest overall level in the college's recent history and 3.6pp above published national averages for 22/23. We can also see from the data that more work is needed to support increased attendance. Attendance for adult learners and our 16-18 cohort remains a challenge. We know that attendance rates in Bristol are lower than national averages and that Bristol has the highest absences rates of any of our neighbours in the South West.

| Total achievement | 18/18 | 21/22 | 22/23 | Target 23/34 | Actual 23/24 | Target 24/25 | Target 25/26 |
|-------------------|-------|-------|-------|--------------|--------------|--------------|--------------|
| 16-18             | 76%   | 79%   | 77%   | 82%          | 84%          | 84%          | 87%          |
| 19+               | 86%   | 88%   | 89%   | 90%          | 90%          | 92%          | 94%          |
| All               | 82%   | 84%   | 85%   | 87%          | 88%          | 89%          | 91%          |

The college places quality at the heart of its strategic plan with a key focus in 24/25 to: Co-create a responsive, relevant and rigorous, high quality curriculum to meet the aspirations of our students, communities and align to Local Skills Improvement Plan (LSIP) priorities. Our goal is to cultivate a curriculum that ignites curiosity, fosters adaptability, and inspires a passion for lifelong learning.

We will achieve this through:

- Relentless focus on improving quality of education
- Integrate strategic aims with quality improvement targets, working with underperforming areas to drive rapid improvement to meet targets
- Identify route cause of issues to deliver sustainable solutions that have positive impact on students in all provision types.

## Equal Opportunities and Employment of Disabled Persons

The college is committed to ensuring equality of opportunity for all who learn and work here. We respect 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. This policy will be resourced, implemented and monitored on a planned basis. the college's Equality, Diversity and Inclusion Policy, and annual report against the public sector equality duty, is published on the college's website.

The college considers all applications for employment 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. An equalities plan is published each year and monitored by managers and governors.

## Disability Statement

The college has implemented an Equality Framework which aims to reduce disadvantages, discrimination and inequalities of opportunity, and which promotes diversity in terms of its learners, workforce, the community and partners as well as in the services it delivers. As part of this the college recognises its legal responsibilities set out in the Equality Act 2010.

The college wants disabled people learning, working and visiting City of Bristol College to be enabled to participate fully by:

- Removing barriers and changing attitudes that prevent disabled people from getting access to education, employment and services provided by the college and its partners
- Promoting Disability Equality at all levels within the college
- Working together with disabled people, organisations of disabled people and disability access groups to achieve equality of opportunity
- Involving disabled people including our disabled employees and students on employment matters and the services we provide
- Training its own employees, so they are aware of and have the skills to take positive action in removing barriers placed in the way of disabled people by society
- Creating a culture where harassment and discrimination against disabled people is unacceptable and will be stopped, should it occur
- Creating a culture where both learners and employees feel able to declare their disability so that accurate information is available to help us look at such things, reasonable adjustments, priority areas and targets for improvement
- Act as an example of good practice to other organisations
- Utilising our Single Equalities Scheme and Action Plan to cover all Faculties, Units and activities within the college.

The college aims to remove any identified barriers to obtaining its services and will seek to ensure that the services provided are those that are required.

## Disclosure of Information to Auditor

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.

## Members' Report Approval

Approved by order of the members of the Corporation on 17 December 2024 and signed on its behalf by:



.....  
P Smith  
Chair



# Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the college to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The college endeavours to conduct its business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- In accordance with the guidance to colleges from the Association of Colleges in the Code of Good Governance for English Colleges and having due regard to the UK Corporate Governance Code insofar as it is applicable to the Further Education sector.

The college is committed to exhibiting best practice in all aspects of Corporate Governance. The college formally adopted the Code of Good Governance for English Colleges issued by the Association of Colleges (2021) and the revised version (2023) for implementation during the next academic year. It also adopted the revised Senior Post Holder Remuneration Code.

Whilst the college has not adopted the UK Corporate Governance Code (2018), it draws upon best practice available, including those aspects of the Code it considers to be relevant to the Further Education sector.

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 the opinion of the Governors, the college complies with the provisions of the Code of Good Governance for English Colleges, including the revised Remuneration Code and it has complied or has been working to comply throughout the year ended 31 July 2024.

Based on the advice of the Audit Committee and the Principal & Chief Executive, the Governing Body 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”.

## The Corporation

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

*Governors appointed up to the signing of the accounts with attendance figures for 2023/24 up to 31 July 2024*

| Name                                   | Date Appointed                     | Term of Office (years) | Date of Resignation/ Retirement | Committees Served   | Board Attendance (%) | Board & Committee Attendance (%) |
|--|------------------------------------|------------------------|---------------------------------|---|----------------------|----------------------------------|
| <b>External Members</b>                |                                    |                        |                                 |   |                      |                                  |
| <b>Dan Amin</b>                        | 20 May 2021                        | Four                   |                                 | Audit Curriculum & Quality  | 75%                  | 67%                              |
| <b>Tony Antonius</b>                   | 16 July 2020 (co-opted April 2019) | Four                   |                                 | Audit   | 100%                 | 100%                             |
| <b>Andrea Arlidge</b>                  | 25 March 2019                      | Four                   |                                 | Curriculum & Quality  | 75%                  | 75%                              |
| <b>Steve Bennett (Vice Chair)</b>      | 15 July 2019                       | Four                   |                                 | Curriculum & Quality Remuneration Search & Governance                     | 75%                  | 75%                              |
| <b>Stephen Boardman</b>                | 30 March 2020                      | Four                   |                                 | Finance & Resources   | 100%                 | 100%                             |
| <b>Sandra Gordon</b>                   | 4 January 2021                     | Four                   |                                 | Finance & Resources   | 75%                  | 92%                              |
| <b>Marc Griffiths</b>                  | 13 December 2021                   | Four                   |                                 | Finance & Resources   | 75%                  | 63%                              |
| <b>Peter Rilett (Chair)</b>            | 16 November 2016                   | Four (2nd term)        | 31 July 2024                    | Finance & Resources Curriculum & Quality Remuneration Search & Governance | 100%                 | 89%                              |
| <b>Shawn Smith</b>                     | 20 May 2021                        | Four                   |                                 | Audit   | 75%                  | 88%                              |
| <b>Zoe Taylor</b>                      | 15 March 2017                      | Four (2nd term)        |                                 |   | 100%                 | 100%                             |
| <b>Judith Harper</b>                   | 11 December 2022                   | Four                   |                                 | Curriculum & Quality  | 75%                  | 89%                              |
| <b>Daniel Jones</b>                    | 11 December 2022                   | Four                   |                                 | Finance & Resources   | 50%                  | 63%                              |
| <b>Neil Dimes</b>                      | 27 March 2023                      | Four                   |                                 | Audit   | 100%                 | 100%                             |
| <b>Julian Fleming</b>                  | 1 August 2023                      | Four                   | 17 April 2024                   | Finance & Resources   | 0%                   | 33%                              |
| <b>Jessica Winkler</b>                 | 1 August 2023                      | Four                   |                                 | Curriculum & Quality  | 100%                 | 100%                             |
| <b>Principal &amp; Chief Executive</b> |                                    |                        |                                 |   |                      |                                  |
| <b>Julia Gray</b>                      | 1 January 2023                     | Ex Officio             |                                 | Finance & Resources Curriculum & Quality Search & Governance              | 100%                 | 93%                              |

| Staff Governors          |                 |       |                 |                      |      |      |
|--------------------------|-----------------|-------|-----------------|----------------------|------|------|
| <b>Alison Beckingham</b> | 20 July 2021    | Three | 31 July 2024    | Curriculum & Quality | 100% | 100% |
| <b>Tony Green</b>        | 15 January 2021 | Three | 31 July 2024    | Finance & Resources  | 75%  | 63%  |
| Student Governors        |                 |       |                 |                      |      |      |
| <b>Meaghan Stillman</b>  | 17 July 2023    | One   | 31 July 2024    | Curriculum & Quality | 100% | 57%  |
| <b>Frank Teagle</b>      | 17 July 2023    | One   | 8 February 2024 | Curriculum & Quality | 100% | 100% |
| Co-opted Members         |                 |       |                 |                      |      |      |
| <b>Asma Ahmad</b>        | October 2019    | Four  | 31 July 2024    | Curriculum & Quality | N/a  | 67%  |
| <b>Felicity Brown</b>    | December 2020   | Four  |                 | Audit                | N/A  | 100% |
| <b>Jo Greenwood</b>      | September 2020  | Four  |                 | Audit                | N/A  | 100% |
| <b>Vanessa Moon</b>      | May 2016        | Four  | 31 July 2024    | Search & Governance  | N/A  | 75%  |

Anne Roberts served as interim Clerk to the Corporation from 21 March 2023 for the duration of the period. The Clerk is a qualified Governance Professional.

## The Governance Framework

The Corporation conducts its business through the following committees: Audit; Curriculum and Quality; Finance and Resources; Remuneration; and Search and Governance. Each committee has terms of reference which have been approved by the full Corporation Board.

The college has three wholly owned subsidiaries and the following persons acted as directors:

Partners in Bristol Limited:

- Joanne Ward from 25 August 2021 to 31 May 2024
- Robert Hazelton (Managing Director) from 27 March 2023
- Julia Gray from 17 April 2023
- Timothy Peacock from 27 November 2023
- Paul Parashar from 18 March 2024

The South West Apprenticeship Company:

- Julia Gray from 17 April 2023
- Luke Menzies (Independent Director) from 12 February 2016
- Clare Vertigen (Managing Director) from 11 May 2012
- Joanne Ward from 9 September 2021 to 31 May 2024
- Timothy Peacock from 23 November 2023

Bristol Professional Services

- Hayley Shaw from 6 December 2022
- Joanne Ward from 17 April 2023 to 31 May 2024
- Timothy Peacock from 1 December 2023

## The Corporation

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

The Corporation is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health & safety and environmental issues. The Corporation meets at least once per term and also holds a number of Governor Strategy Development Days.

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 Curriculum & Quality, Finance and Resources, Audit, Remuneration and Search and Governance.

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection on the college's website or from the Clerk to the Corporation 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 key issues as and when they arise.

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 the Principal & Chief Executive 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. Its Terms of Reference allow for four governors and one co-opted member with relevant experience. It is responsible for recommending to the Board potential members for the Corporation's consideration. The Committee met four times in 2023/24.

During 2023/24, the Committee conducted successful search activity for recruiting a new Chair, who would take over from the current Chair starting from 1st August 2024. A new external governor was also recommended to the Board for appointment from 1st August 2024.

The Committee regularly undertakes succession planning for vacancies.

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, except for the staff members (three years) and student members who are appointed for the duration of their studies.

Members can apply for an additional four year term through the Search & Governance Committee for final decision by the Corporation as a whole.

## Corporation Performance

Further Education colleges are required to have an external review of their governance every three years. The Corporation commissioned the Association of Colleges to undertake its external review from May- August 2023. The reviewer was Heather Cross. The outcome of this was discussed by the Search & Governance Committee and by the Corporation. Key findings were that “Governance at City of Bristol College is good, with a fundamentally positive Board composition, healthy Board structure and positive Board interaction”. The overall conclusion on Board effectiveness was that: “There is evidence the Board is proficient and has impact on college strategy, effectiveness, and outcomes”. A summary of the findings of the review and outline of the action plan are published on the college website.

The Board continued to evaluate its progress against the action plan drawn up in light of the external governance review throughout 2023-24.

The governing body is committed to development and held Governor development sessions in September 2023 and January 2024. New governors attended the Association of Colleges induction sessions and undertook college online training modules, as well as induction with key members of staff. The student governor attended the Unloc Student Festival in November 2023. The Chairs of the Curriculum & Quality Committee and Audit Committee attended an AoC Governor network. Governors have had ongoing access to the ETF Governance Development Programme (a series of self-directed study modules). All Governors read the updated DfE Keeping Children Safe in Education guidance for 2023. Governors also took part in college events.

Throughout the period, the Clerk undertook regular professional training and development. This included attendance at the AoC South West Governance Professional Network and development and training events via the AoC Governance Professional network and via college and external online training.

## Remuneration Committee

The Remuneration Committee comprised of four members. The Committee’s responsibilities are to make recommendations to the Board on the remuneration and performance of the Principal & Chief Executive and designated senior post holders, including the Clerk.

The Corporation has adopted the AoC’s Senior Staff Remuneration Code and has complied with the code throughout 2023/24. The Board has regard to the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs but has not adopted it.

Details of remuneration for the year ended 31 July 2024 are set out in note 9 in the financial statements.

## Audit Committee

The Audit Committee comprised of five members; the Chair is a full member of the Corporation and two members are co-opted members. Several members of the Committee are Chartered Accountants with significant audit experience. The Chair of the Corporation, the Principal & Chief Executive, members of the Finance and Resources Committee and the staff governors are excluded from membership.

The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the college’s system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets at least once each term and provides a forum for reporting on the college’s internal and independent 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 ESFA and other funding bodies, as they affect the college’s business.

The Audit Committee met 4 times in the year to 31 July 2024. The members of the committee and their attendance records are shown below:

| Committee Member                 | Meetings Attended |
|----------------------------------|-------------------|
| Tony Antonius (Chair)            | 100%              |
| Dan Amin (until December 2023)   | 0%                |
| Neil Dimes (from April 2023)     | 100%              |
| Judith Harper (from March 2024)  | 100%              |
| Felicity Brown (Co-opted Member) | 100%              |
| Jo Greenwood (Co-opted Member)   | 100%              |

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

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

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

## 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 day-to-day responsibility to the Principal & Chief Executive, 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 the post holder is personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the college and the ESFA and other funding bodies. The post holder is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

Risk Management reporting, which includes the key results of risk identification and evaluation of these risks, is a standing agenda item at each Audit Committee and Corporation meeting. Each committee also review the risks associations with their remit. Risk management includes the review of business operational, compliance and financial risk. The Strategic Risk Register brings together, and sets out,

the accountabilities of the Strategic Leadership Team in relation to risks and Key Performance Indicators (KPIs). The purpose of the framework is to make clear the accountability and leadership of KPIs and risks and the identification of committee responsibilities in relation to assurance monitoring and reporting. The Strategic Risk Register was reviewed and replaced with an updated version during this academic year.

Since colleges were reclassified to the central government sector, with effect from 29 November 2022, the college has updated its policies, procedures and approval processes to ensure compliance with the new requirements following reclassification. The college has established systems and processes to identify and handle any transactions for which DfE approval is now required.

## The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in City of Bristol College for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements. The system of internal control, which is a standing agenda item at each Audit Committee and Corporation meeting. Each committee also review the risks associations with their remit. Risk management includes the review of business operational, compliance and financial risk. The Strategic Risk Register brings together, and sets out, the accountabilities of the Strategic Leadership Team in relation to risks and Key Performance Indicators (KPIs). The purpose of the framework is to make clear the accountability and leadership of KPIs and risks and the identification of committee responsibilities in relation to assurance monitoring and reporting. The Strategic Risk Register was reviewed and replaced with an updated version during this academic year.

Since colleges were reclassified to the central government sector, with effect from 29 November 2022, the college has updated its policies, procedures and approval processes to ensure compliance with the new requirements following reclassification. The college has established systems and processes to identify and handle any transactions for which DfE approval is now required.

## Capacity to Handle Risk

The Corporation has reviewed the key risks to which the college is exposed together with the business, operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the college's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

## The Risk and Control Framework

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

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

The college's internal auditors operate in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal auditors 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 minimum, annually, the Internal Auditors provide the Governing Body with a report on internal audit activity at the college. The report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of the college's system of risk management, controls and governance processes.

The college's Financial Regulations govern its approach to procurement, which ensures regularity and propriety in the use of public funding, as well as securing value for money as part of the commitment to achieving efficiency, economy and effectiveness. As part of the scope of the internal and external auditors work any non-compliance with the college's Financial Regulations would be reported to the Audit Committee and the Corporation. reporting. The Strategic Risk Register was reviewed and replaced with an updated version during this academic year.

Since colleges were reclassified to the central government sector, with effect from 29 November 2022, the college has updated its policies, procedures and approval processes to ensure compliance with the new requirements following reclassification. The college has established systems and processes to identify and handle any transactions for which DfE approval is now required.

## Statement of 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 Internal Auditor and reviewed by Audit Committee in 2023/24 were:

- Core Financial Controls
- Payroll and HR
- Exams
- Risk Management and Assurance
- High Needs Funding
- MIS systems

## Review of Effectiveness

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

- The work of the internal auditors
- The work of the Strategic Leadership Team within the college who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the college's independent auditors and regularity auditors in their management letter and other reports
- The input of the Audit Committee, including the annual report of the Audit Committee to the Corporation.

The Principal & Chief Executive has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditors and other sources of assurance including the college's Strategic Risk Register, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Principal & Chief Executive and Strategic Leadership Team receive regular reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded across the college and reinforced by risk awareness training. The Principal & Chief Executive, members of the Strategic Leadership Team (as appropriate) and Audit Committee also receive regular reports from the internal auditors, 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 emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Strategic Leadership Team and the Audit Committee.

At its December 2024 meeting, the Corporation carried out the annual assessment for the year ended July 2024 by considering documentation from the Strategic Leadership Team and the internal auditors, and taking into account of events since 31 July 2024.

Based on the advice of the Audit Committee and the Principal & Chief Executive, 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".



There have been no significant internal control weaknesses identified during the period to July 2024 and up to the date of approval of the annual report and financial statements. The Audit Committee considers that there are no other recommendations that are not receiving adequate management attention and that the timescale for the implementation of recommendations is being observed. The college has demonstrated good progress in implementing actions agreed to address internal audit recommendations.

Approved by order of the members of the Corporation on 17 December 2024 and signed on its behalf by:



.....  
P Smith  
Chair



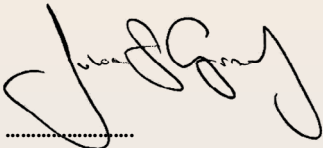
.....  
J Gray  
Principal & Chief Executive

## Statement of Regularity, Propriety and Compliance

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

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

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



.....  
**J Gray**  
**Accounting Officer**

Date 17 December 2024

## Statement of the Chair of Governors

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



.....  
**P Smith**  
**Chair**

Date 17 December 2024

# Statement of Responsibilities of the Members of the Corporation

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

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

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

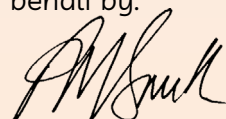
The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the

financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the Corporation on 17 December 2024 and signed on its behalf by:



**P Smith**  
Chair of governors

# Independent Auditor's Report to the Corporation of City of Bristol College

## Opinion

We have audited the financial statements of City of Bristol College for the year ended 31 July 2024 which comprise the Consolidated and College Statement of Comprehensive Income, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheets the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including 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's and the college's affairs as at 31 July 2024, and of the group's and the college's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows, for the year then ended; and
- Have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Corporation 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

The Corporation has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the college or to cease their operations. They have also concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Corporation's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the group and college's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- We consider that the corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- We have not identified, and concur with the Corporation's assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the college's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the college will continue in operation.

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

## Other Information

The Members are responsible for the other information. The other information comprises the information in the Members Report, but does not include the financial statements and our Report of the Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

## Report on Other Legal and Regulatory Requirements

We are required to report on the following matters by the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency:

We have nothing to report in respect of the following matters where, in our opinion:

- Proper accounting records have not been kept; and
- The financial statements are not in agreement with the accounting records; and
- All information and explanations required for the audit were not received.

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students:

We have nothing to report in respect of the following matters where in our opinion:

- The provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

## Responsibilities of the Members of the Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation, the Members are 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 Members determine 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 Members of the Corporation are responsible for assessing the Corporation'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 Members either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

## Auditors' 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 a Report of the Auditors 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the parent Corporation and the sector in which they operate. We determined that the following laws and regulations were most significant: The Education and Skills Funding Agency (ESFA) rules, the Office for Students (OfS) rules, OFSTED rules, Health and Safety Regulations, Employment law, Fire Safety and The General Data Protection Regulation (GDPR).


We also considered those laws and regulations that have a direct impact of the preparation of the financial statements such as the college Account Direction for 2023 to 2024 and the Post-16 Audit Code of Practice issued by the ESFA.

- We obtained an understanding of how the Group and Corporation is complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
  - Identifying and assessing the controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular in relation to pensions, accruals, prepayments depreciation and amortisation;
  - Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
  - Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

## Use of Our Report

This report is made solely to the Corporation's members as a body. Our audit work has been undertaken so that we might state to the Corporation's members those matters we are required to state to them in a Report of the Auditors 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 and the Corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Benjamin de Cruz (Senior Statutory Auditor)**

For and on behalf of  
Haines Watts (Western) Limited  
3 Southernhay West  
Exeter  
Devon  
EX1 1JG

Date: 31 January 2025

# Reporting Accountant's Assurance Report on Regularity

To: The Corporation of City of Bristol College and Secretary of State for Education, acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by City of Bristol College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by ESFA and in any relevant conditions of funding, concerning adult education notified by a relevant funder.

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

## Respective Responsibilities of City of Bristol College and the Reporting Accountant

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

Our responsibilities for this engagement are established in the United Kingdom by the Code our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## Approach

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

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

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 and propriety of the Corporation's income and expenditure.



The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures, including the self assessment questionnaire prepared by City of Bristol College
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions.

## 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 2023 to 31 July 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities that govern them.



**Haines Watts (Western) Limited**

Registered Auditors  
3 Southernhay West  
Exeter  
Devon  
EX1 1JG

Date: 31 January 2025

# Consolidated and College Statements of Comprehensive Income

|   | Notes | Year ended 31 July |               | Year ended 31 July |               |
|---|-------|--------------------|---------------|--------------------|---------------|
|   |       | 2024               | 2024          | 2023               | 2023          |
|   |       | Group              | College       | Group              | College       |
|   |       | £'000              | £'000         | £'000              | £'000         |
| <b>INCOME</b>   |       |                    |               |                    |               |
| Funding body grants                                       | 2     | 36,696             | 35,963        | 32,683             | 32,683        |
| Tuition fees and education contracts                      | 3     | 8,722              | 8,693         | 8,154              | 7,771         |
| Other grants and contracts                                | 4     | 1,873              | 1,845         | 1,178              | 1,160         |
| Other income  | 5     | 2,167              | 862           | 2,449              | 820           |
| Investment income   | 6     | 413                | 1,120         | 118                | 661           |
| <b>Total income</b>                                       |       | <b>49,871</b>      | <b>48,483</b> | <b>44,582</b>      | <b>43,095</b> |
| <b>EXPENDITURE</b>  |       |                    |               |                    |               |
| Staff costs   | 8     | 30,055             | 27,891        | 26,916             | 24,664        |
| Restructuring costs                                       | 8     | 123                | 123           | 15                 | 15            |
| Other operating expenses                                  | 10    | 13,807             | 14,774        | 12,917             | 13,927        |
| Depreciation  | 14    | 2,880              | 2,872         | 3,178              | 3,169         |
| Amortisation  | 15    | -                  | -             | -                  | -             |
| Interest and other finance costs                          | 11    | 973                | 973           | 1,411              | 1,411         |
| <b>Total expenditure</b>                                  |       | <b>47,838</b>      | <b>46,633</b> | <b>44,437</b>      | <b>43,186</b> |
| <b>Surplus/(Deficit) before other gains and losses</b>    |       | <b>2,033</b>       | <b>1,850</b>  | <b>145</b>         | <b>(91)</b>   |
| Gain/(loss) on disposal of assets                         |       | (290)              | (286)         | (328)              | (328)         |
| Impairment of fixed assets                                | 14    | -                  | -             | -                  | -             |
| <b>Surplus/(Deficit) for the year before tax</b>          |       | <b>1,743</b>       | <b>1,564</b>  | <b>(183)</b>       | <b>(419)</b>  |
| Taxation  | 12    | -                  | -             | -                  | -             |
| <b>Surplus/(Deficit) for the year</b>                     | 13    | <b>1,743</b>       | <b>1,564</b>  | <b>(183)</b>       | <b>(419)</b>  |
| Actuarial gain/(loss) in respect of pensions schemes      |       | (862)              | (862)         | 15,662             | 15,662        |
| <b>Total Comprehensive income/ (deficit) for the year</b> |       | <b>881</b>         | <b>702</b>    | <b>15,479</b>      | <b>15,243</b> |

The accompanying notes 1 to 29 form part of these financial statements.

# Consolidated and College Statement of Changes in Reserves

|   | Income and Expenditure account | Revaluation reserve | Total         |
|---|--------------------------------|---------------------|---------------|
| Group   | £'000                          | £'000               | £'000         |
| <b>Balance at 1 August 2022</b>                                   | <b>6,747</b>                   | <b>2,634</b>        | <b>9,381</b>  |
| Deficit from the income and expenditure account                   | (183)                          | -                   | (183)         |
| Other comprehensive income  | 15,662                         | -                   | 15,662        |
| Transfers between revaluation and income and expenditure reserves | 6                              | (6)                 | -             |
| <b>Total comprehensive income for the year</b>                    | <b>15,485</b>                  | <b>(6)</b>          | <b>15,479</b> |
|   |                                |                     |               |
| <b>Balance at 31 July 2023</b>                                    | <b>22,232</b>                  | <b>2,628</b>        | <b>24,860</b> |
|   |                                |                     |               |
| Surplus from the income and expenditure account                   | 1,743                          | -                   | 1,743         |
| Other comprehensive deficit                                       | (862)                          | -                   | (862)         |
| Transfers between revaluation and income and expenditure reserves | 7                              | (7)                 | -             |
| <b>Total comprehensive income/(deficit) for the year</b>          | <b>888</b>                     | <b>(7)</b>          | <b>881</b>    |
|   |                                |                     |               |
| <b>Balance at 31 July 2024</b>                                    | <b>23,120</b>                  | <b>2,621</b>        | <b>25,741</b> |
|   |                                |                     |               |
| <b>College</b>  |                                |                     |               |
| <b>Balance at 1 August 2022</b>                                   | <b>6,288</b>                   | <b>2,634</b>        | <b>8,922</b>  |
| Deficit from the income and expenditure account                   | (419)                          | -                   | (419)         |
| Other comprehensive income  | 15,662                         | -                   | 15,662        |
| Transfers between revaluation and income and expenditure reserves | 6                              | (6)                 | -             |
| <b>Total comprehensive income for the year</b>                    | <b>15,249</b>                  | <b>(6)</b>          | <b>15,243</b> |
|   |                                |                     |               |
| <b>Balance at 31 July 2023</b>                                    | <b>21,537</b>                  | <b>2,628</b>        | <b>24,165</b> |
| Deficit from the income and expenditure account                   | 1,564                          | -                   | 1,564         |
| Transfers between revaluation and income and expenditure reserves | 7                              | (7)                 | -             |
| <b>Total comprehensive income/(deficit) for the year</b>          | <b>709</b>                     | <b>(7)</b>          | <b>702</b>    |
|   |                                |                     |               |
| <b>Balance at 31 July 2024</b>                                    | <b>22,246</b>                  | <b>2,621</b>        | <b>24,867</b> |

# Consolidated and College Balance Sheets

|  | Notes | Group         | College       | Group         | College       |
|--|-------|---------------|---------------|---------------|---------------|
|  |       | 2024          | 2024          | 2023          | 2023          |
|  |       | £'000         | £'000         | £'000         | £'000         |
| <b>Fixed assets</b>  |       |               |               |               |               |
| Tangible fixed assets  | 14    | 60,080        | 60,028        | 60,765        | 60,716        |
| Intangible fixed Assets  | 15    | -             | -             | -             | -             |
| Investments  |       | -             | 3             | -             | 3             |
|  |       | <b>60,080</b> | <b>60,031</b> | <b>60,765</b> | <b>60,719</b> |
| <b>Current assets</b>  |       |               |               |               |               |
| Stocks   |       | 120           | 120           | 70            | 70            |
| Trade and other receivables                                    | 16    | 3,132         | 3,095         | 3,418         | 3,493         |
| Cash and cash equivalents                                      | 22    | 15,768        | 15,608        | 6,666         | 6,415         |
|  |       | <b>19,020</b> | <b>18,823</b> | <b>10,154</b> | <b>9,978</b>  |
| <b>Less: Creditors – amounts falling due within one year</b>   | 17    | (7,947)       | (8,575)       | (6,388)       | (6,861)       |
| <b>Net current assets/(liabilities)</b>                        |       | <b>11,073</b> | <b>10,248</b> | <b>3,766</b>  | <b>3,117</b>  |
|  |       |               |               |               |               |
| <b>Total assets less current liabilities</b>                   |       | <b>71,153</b> | <b>70,279</b> | <b>64,531</b> | <b>64,836</b> |
|  |       |               |               |               |               |
| Less: Creditors – amounts falling due after more than one year | 18    | (39,611)      | (39,611)      | (34,507)      | (34,507)      |
|  |       |               |               |               |               |
| <b>Provisions</b>  |       |               |               |               |               |
| Defined benefit obligations                                    | 20    | (5,713)       | (5,713)       | (5,056)       | (5,056)       |
| Other provisions   | 20    | (88)          | (88)          | (108)         | (108)         |
|  |       |               |               |               |               |
| <b>Total net assets</b>  |       | <b>25,741</b> | <b>24,867</b> | <b>24,860</b> | <b>24,165</b> |
|  |       |               |               |               |               |
| <b>Unrestricted reserves</b>                                   |       |               |               |               |               |
| Income and expenditure account                                 |       | 23,120        | 22,246        | 22,232        | 21,537        |
| Revaluation reserve  | 22    | 2,621         | 2,621         | 2,628         | 2,628         |
|  |       |               |               |               |               |
| <b>Total unrestricted reserves</b>                             |       | <b>25,741</b> | <b>24,867</b> | <b>24,860</b> | <b>24,165</b> |

The financial statements on pages 34 to 62 were approved and authorised for issue by the Corporation on 17 December 2024 and were signed on its behalf on that date by:



P Smith  
Chair



J Gray  
Accounting Officer

# Consolidated Statement of Cash Flows

|  | Notes | 2024    | 2023    |
|--|-------|---------|---------|
|  |       | £'000   | £'000   |
| <b>Cash inflow from operating activities</b>                     |       |         |         |
| Surplus/(deficit) for the year                                   |       | 1,743   | (183)   |
| <b>Adjustment for non-cash items</b>                             |       |         |         |
| Depreciation and amortisation                                    |       | 2,880   | 3,178   |
| Impairment of fixed assets                                       |       | -       | -       |
| (Increase)/Decrease in stocks                                    |       | (50)    | (4)     |
| (Increase)/Decrease in debtors                                   |       | (445)   | (495)   |
| (Decrease) in creditors due within one year                      |       | (24)    | (2,434) |
| (Decrease) in creditors due after one year                       |       | (1,082) | (848)   |
| (Decrease) in provisions   |       | (20)    | (19)    |
| Pensions costs less contributions payable                        |       | (422)   | 431     |
| Taxation   |       | -       | -       |
| <b>Adjustment for investing or financing activities</b>          |       |         |         |
| Investment income  | 6     | (413)   | (118)   |
| Interest payable   | 11    | 973     | 1,411   |
| Taxation paid  |       | -       | -       |
| Loss/(Gains) on sale of fixed assets                             |       | 290     | 328     |
| <b>Net cash flow from operating activities</b>                   |       | 3,430   | 1,247   |
| Other provisions   |       | (88)    | (108)   |
| <b>Cash flows from investing activities</b>                      |       |         |         |
| Net Proceeds (including selling costs) from sale of fixed assets |       | 694     | 4,646   |
| Investment income  |       | 413     | 118     |
| Payments made to acquire fixed assets                            |       | (2,430) | (2,667) |
| Payments made to acquire intangible assets                       |       | -       | -       |
| Deferred Capital Grants received                                 |       | 9,679   | 4,725   |
|  |       | 8,356   | 6,822   |
| <b>Cash flows from financing activities</b>                      |       |         |         |
| Interest paid  |       | (724)   | (723)   |
| Interest on finance leases                                       |       | (36)    | (33)    |
| Capital element of finance lease rental payments                 |       | (300)   | (302)   |
| Repayments of amounts borrowed                                   |       | (1,624) | (1,624) |
|  |       | (2,684) | (2,682) |
| <b>Increase in cash and cash equivalents in the year</b>         |       | 9,102   | 5,387   |
|  |       |         |         |
| <b>Cash and cash equivalents at beginning of the year</b>        | 22    | 6,666   | 1,279   |
|  |       |         |         |
| <b>Cash and cash equivalents at end of the year</b>              | 22    | 15,768  | 6,666   |

# Notes

(forming part of the financial statements)

## 1 Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the 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 2023 to 2024 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

### Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

### Going Concern

The financial statements are prepared on a going concern basis with the Group reporting an operating profit for the year ended 31 July 2024 of £1.7m and having net current assets as at 31 July 2024 of £11.1million. Included in the net assets is £11.1m of restricted cash relating to unspent capital grants, leaving adjusted net current assets as £nil.

The Board of Governors has prepared cash flow forecasts which indicate that, taking account of severe but plausible downsides, the Group and College will have sufficient funds to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements (the going concern assessment period).

### Basis of Consolidation

The consolidated financial statements include the college and its subsidiaries controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the college does not control those activities. All financial statements are made up to 31 July 2024.

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

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

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.

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

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.

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.

## Post-Retirement 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.

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

The 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 deficit are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Retirement benefits to employees of the college are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS). Contributions to the TPS are charged as incurred. Further details of the pension schemes are given in note 26.

The group also operates a NEST defined contributions scheme in its subsidiary undertakings. Contributions are recognised as an expense in the income statement in the periods during which services are rendered by employees.

## Short Term Employment Benefits

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

## Enhanced Pensions

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

## Non-current Assets - Tangible Fixed Assets: Land and Buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost. Cost includes purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the college of between 25 and 50 years and for the major adaptations to buildings, over the remaining period of their useful life.

Leasehold buildings are depreciated over the period of the lease. Building refurbishments 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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset(s) exceeds its recoverable amount. The recoverable amount is the higher of its value in use (being the present value of expected future cash flows) and its fair value less costs to sell.

The gain or loss on disposal of an asset is calculated as the difference between the net disposal proceeds and the carrying amount of the item.



## Subsequent Expenditure on Existing Fixed Assets

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

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

## 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 2024. They are not depreciated until they are available for use.

## Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Cost includes purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Equipment inherited from the Local Education Authority has been fully depreciated. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its economic useful life as follows:

|  |   |                 |
|--|---|-----------------|
| Inherited equipment and motor vehicles | - | 25% per annum   |
| Computer equipment                     | - | 33.3% per annum |
| General equipment                      | - | 20% per annum   |

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

## Intangible Assets

Intangible assets are capitalised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the institution and the cost can be measured reliably. Amortisation is charged as follows:

|                   |   |               |
|-------------------|---|---------------|
| Software Licences | - | 20% per annum |
|-------------------|---|---------------|

## Maintenance of Premises

The college has a 10 year planned maintenance programme which is reviewed on an annual basis. The cost of routine planned maintenance expenditure is charged to the income and expenditure account in the period it is incurred. The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

## Leased Assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the college substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

## Capitalisation of Finance Cost

Finance costs directly associated with capital work are capitalised along with other construction costs during the construction phase of fixed assets. Capitalisation of such financing costs will cease when substantially all the activities that are necessary to get the tangible fixed asset ready for use are complete.

## Investments

Fixed asset investments are carried at historical cost less any provision for impairment in their value. Current asset investments are stated at the lower of their original cost and net realisable value.

## Stocks

Stocks are stated at the lower of their cost and net realisable value on a First in First Out (FIFO) basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

## Foreign Currency Translation

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

## Taxation

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

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

## Deferred Taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, calculated at the rates at which it is expected that tax will arise.

## Liquid Resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

## 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.

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

## Cash

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

## Financial Instruments 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 Section 11 and Section 12 of 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.

## Agency Arrangements

The college acts as an agent in the collection and payment of learner support funds and adult learning grants. Related income received from the main funding body and subsequent disbursements to students are excluded from the income and expenditure account (and are shown separately in note 28), except for the 5% of the grant received which is available to the college to cover administration costs relating to the grant.

## Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

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

Other key sources of estimation uncertainty:

- **Tangible Fixed Assets**

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

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## 2 Funding Body Grants

|   | 2024          | 2024          | 2023          | 2023          |
|---|---------------|---------------|---------------|---------------|
|   | Group         | College       | Group         | College       |
|   | £'000         | £'000         | £'000         | £'000         |
| <b>ESFA</b>   |               |               |               |               |
| Recurrent grant   | 25,364        | 25,358        | 22,534        | 22,534        |
| Devolved Authorities                                    | 7,331         | 6,604         | 6,265         | 6,265         |
| Work based learning                                     | 2,491         | 2,491         | 2,407         | 2,407         |
|   | 60,080        | 60,031        | 60,765        | 60,719        |
| Releases of deferred capital grants                     |               |               |               |               |
| Land & buildings  | 456           | 456           | 506           | 506           |
| Equipment   | 125           | 125           | 186           | 186           |
| CDC Grant Income  | 118           | 118           | 0             | 0             |
| Other funds   | 0             | 0             | 42            | 42            |
| <b>Specific Grants – Coronavirus additional funding</b> |               |               |               |               |
| ESFA 16-19 Tuition Fund                                 | 478           | 478           | 472           | 472           |
|   | <b>36,363</b> | <b>35,630</b> | <b>32,412</b> | <b>32,412</b> |
|   |               |               |               |               |
| <b>Office for Students (OfS)</b>                        |               |               |               |               |
| Recurrent grant   | 260           | 260           | 179           | 179           |
| Releases of deferred capital grants                     |               |               |               |               |
| Equipment   | 17            | 17            | 34            | 34            |
| Widening participation                                  | 56            | 56            | 58            | 58            |
|   | <b>333</b>    | <b>333</b>    | <b>271</b>    | <b>271</b>    |
|   | <b>36,696</b> | <b>35,963</b> | <b>32,683</b> | <b>32,683</b> |

The funding received from 16-19 tuition fund covered matched associated pay and non-pay costs.

### 3 Tuition Fees and Education Contracts

|                                 | Year ended 31 July |              | Year ended 31 July |              |
|---------------------------------|--------------------|--------------|--------------------|--------------|
|                                 | 2024               | 2024         | 2023               | 2023         |
|                                 | Group              | College      | Group              | College      |
|                                 | £'000              | £'000        | £'000              | £'000        |
| <b>Tuition Fees and charges</b> |                    |              |                    |              |
| UK higher education students    | 1,727              | 1,727        | 1,633              | 1,633        |
| EU and UK                       | 2,585              | 2,556        | 2,807              | 2,424        |
| Non-EU students                 | -                  | -            | -                  | -            |
|                                 | <b>4,312</b>       | <b>4,283</b> | <b>4,440</b>       | <b>4,057</b> |
| <b>Education contracts</b>      |                    |              |                    |              |
| Local education authority       | 4,410              | 4,410        | 3,714              | 3,714        |
| Other income                    | -                  | -            | -                  | -            |
|                                 | <b>4,410</b>       | <b>4,410</b> | <b>3,714</b>       | <b>3,714</b> |
|                                 | <b>8,722</b>       | <b>8,693</b> | <b>8,154</b>       | <b>7,771</b> |

### 4 Other Grants and Contracts

|   | Year ended 31 July |              | Year ended 31 July |              |
|---|--------------------|--------------|--------------------|--------------|
|   | 2024               | 2024         | 2023               | 2023         |
|   | Group              | College      | Group              | College      |
|   | £'000              | £'000        | £'000              | £'000        |
| Releases from deferred capital grants (non main funding bodies) | 484                | 484          | 122                | 122          |
| Coronavirus Job Retention Scheme Grant                          | -                  | -            | -                  | -            |
| Teachers Pension Scheme Grant                                   | 1,244              | 1,244        | 896                | 896          |
| Other grants and contracts                                      | 145                | 117          | 160                | 142          |
| <b>Total</b>  | <b>1,873</b>       | <b>1,845</b> | <b>1,178</b>       | <b>1,160</b> |

### 5 Other Income

|                                       | Year ended 31 July |            | Year ended 31 July |            |
|---------------------------------------|--------------------|------------|--------------------|------------|
|                                       | 2024               | 2024       | 2023               | 2023       |
|                                       | Group              | College    | Group              | College    |
|                                       | £'000              | £'000      | £'000              | £'000      |
| Residences, catering and conferences  | 296                | 296        | 310                | 310        |
| Other income generating activities    | 36                 | 36         | 22                 | 22         |
| Exam fees                             | 5                  | 5          | 7                  | 7          |
| Sale of materials                     | 3                  | 3          | 2                  | 2          |
| Student travel                        | 363                | 363        | 284                | 284        |
| Apprenticeship Training Agency income | 1,305              | -          | 1,588              | -          |
| Other income                          | 159                | 159        | 236                | 195        |
| <b>Total</b>                          | <b>2,167</b>       | <b>862</b> | <b>2,449</b>       | <b>820</b> |

## 6 Investment Income

|                                       | Year ended 31 July |              | Year ended 31 July |         |
|---------------------------------------|--------------------|--------------|--------------------|---------|
|                                       | 2024               | 2024         | 2023               | 2023    |
|                                       | Group              | College      | Group              | College |
|                                       | £'000              | £'000        | £'000              | £'000   |
| Bank interest receivable              | 413                | 413          | 118                | 118     |
| Gift aid receivable from subsidiaries | -                  | 707          | -                  | 543     |
|                                       | <b>413</b>         | <b>1,120</b> | 118                | 661     |

## 7 Sources of Grant and Fee Income

The following disclosure relates to the requirements of the Office for Students (OfS) Accounts Direction and is in respect of Higher Education courses.

|                                       | Year ended 31 July |               | Year ended 31 July |               |
|---------------------------------------|--------------------|---------------|--------------------|---------------|
|                                       | 2024               | 2024          | 2023               | 2023          |
|                                       | Group              | College       | Group              | College       |
|                                       | £'000              | £'000         | £'000              | £'000         |
| Grant income from OfS                 | 333                | 333           | 271                | 271           |
| Grant income from other bodies        | 38,236             | 37,475        | 33,541             | 33,523        |
| Fee income for taught awards          | 1,727              | 1,727         | 1,633              | 1,633         |
| Fee income for research awards        | -                  | -             | -                  | -             |
| Fee income for non-qualifying courses | 2,585              | 2,556         | 2,807              | 2,424         |
| <b>Total Grant and Fee Income</b>     | <b>42,881</b>      | <b>42,091</b> | <b>38,252</b>      | <b>37,851</b> |

## 8 Staff Costs - Group and College

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

|                                     | Year ended 31 July |            |
|-------------------------------------|--------------------|------------|
|                                     | 2024               | 2023       |
| Staff Numbers                       |                    |            |
| Teaching staff                      | 440                | 421        |
| Teaching - other                    | 14                 | 9          |
| Teaching support services           | 198                | 166        |
| Other support services              | 43                 | 52         |
| Administration and central services | 86                 | 68         |
| Premises                            | 33                 | 29         |
| Other                               | -                  | -          |
|                                     | <b>814</b>         | <b>746</b> |

Temporary and casual workers are excluded from the above head-count calculation.

|  | Year ended 31 July |               | Year ended 31 July |               |
|--|--------------------|---------------|--------------------|---------------|
|  | 2024               | 2024          | 2023               | 2023          |
|  | Group              | College       | Group              | College       |
| Staff costs                                  | £'000              | £'000         | £'000              | £'000         |
| Wages and salaries                           | 23,717             | 21,727        | 20,770             | 18,666        |
| Social security costs                        | 2,023              | 1,961         | 1,767              | 1,676         |
| Pension costs (including FRS102 adjustments) | 4,315              | 4,203         | 4,379              | 4,313         |
| <b>Payroll sub total</b>                     | <b>30,055</b>      | <b>27,891</b> | <b>26,916</b>      | <b>24,655</b> |
| Contracted out services                      | -                  | -             | -                  | 9             |
| Restructuring costs                          | 123                | 123           | 15                 | 15            |
|  | <b>30,178</b>      | <b>28,014</b> | <b>26,931</b>      |               |

Restructuring costs relate to redundancy payments, severance payments and an accrual for pay in lieu of notice, £16k of which were non contractual entitlements (2023: £25k). £90k (2023: £55k) of the restructuring cost is held within accruals at the year-end.

## Key Management Personnel

Key management personnel are those people having authority and responsibility for planning, directing and controlling the activities of the college, The Principal & Chief Executive (and/or acting equivalent), The Deputy Principal and Chief (from June 2024), The Vice Principal, Curriculum and Quality, (until May 2024) The Vice Principal, Corporate Services and External Relations (until 31 May 2024), The Executive Director of Finance and Funding (until May 2024), and The Chief Operating Officer (from June 2024).

## 9 Emoluments of Key Management Personnel, Accounting Officer and Other Higher Paid Staff

|  | 2024 | 2023 |
|--|------|------|
|  | No.  | No.  |
| The number of key management personnel including the Accounting Officer was: | 5    | 6    |

The above figures include the total number of individuals who held key management posts which remained at 4 active posts at any time during the current year and 4 in the prior year.

The individual number of key management personnel and other staff (including starters and leavers in year) who received annualised emoluments, excluding pension contributions and employers' national insurance but including benefits in kind, in the following ranges was:

|                      | Key Management Personnel |          | Other staff |           |
|----------------------|--------------------------|----------|-------------|-----------|
|                      | 2024                     | 2023     | 2024        | 2023      |
|                      | No.                      | No.      | No.         | No.       |
| £60,001 to £65,000   | -                        | -        | 7           | 8         |
| £65,001 to £70,000   | -                        | -        | 3           | 2         |
| £90,001 to £95,000   | 1                        | 3        | -           | -         |
| £95,001 to £100,000  | 3                        | 1        | -           | -         |
| £145,001 to £150,000 | 1                        | 2        | -           | -         |
|                      | <b>5</b>                 | <b>6</b> | <b>10</b>   | <b>10</b> |

The above figures include 1 new other staff member 2 key management personnel who started a higher paid post during the year, and 2 key management personnel who left during the year (FY23: 1 other staff and 1 key management personnel who left during the year). Annualised emoluments spread PILON and associated pension payments over the notice period rather than the date paid. During the year, total compensation for loss of office payments of £25k were paid to staff members (2023: £Nil) whose annualised salary was greater than £60,000.

Key management personnel compensation is made up as follows:

| Year ended 31 July    |            |            |
|-----------------------|------------|------------|
|                       | 2024       | 2023       |
|                       | £'000      | £'000      |
| Salaries              | 412        | 437        |
| Other emoluments      | -          | -          |
| Benefits in kind      | -          | -          |
| Pension contributions | 97         | 97         |
|                       | <b>509</b> | <b>534</b> |

## Highest Paid Individual

Julia Gray, the Principal & Chief Executive and accounting officer, was the highest paid individual. The above emoluments for key management personnel compensation includes amounts payable to the Principal & Chief Executive (who was also the highest paid senior post-holder) as follows:

| Year ended 31 July    |            |            |
|-----------------------|------------|------------|
|                       | 2024       | 2023       |
|                       | £'000      | £'000      |
| Salaries              | 150        | 88         |
| Benefits in kind      | -          | -          |
| Pension contributions | 38         | 21         |
|                       | <b>188</b> | <b>109</b> |

The governing body adopted the Association of Colleges' Senior Staff Remuneration Code at the 25 July 2020 meeting and assesses pay in line with its principles. The remuneration package for Key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking data to provide objective guidance. This data includes sector comparisons taking into account responsibilities, turnover and geography. The Principal and Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of their performance taking into account the college's overall objectives using both qualitative and quantitative measures of performance.

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

|   | 2024 | 2023 |
|---|------|------|
| Principal's and CEO's basic salary as a multiple of the median of all staff     | 4.8  | 5.1  |
| Principal and CEO's total remuneration as a multiple of the median of all staff | 5    | 5    |



The ratio has been calculated by calculating the basic salary and total remuneration of the one (2023 two) Principal and CEO for the time they held this post. Basic pay is grossed up to 1FTE equivalent, and total remuneration is amount paid (i.e. not grossed up to 1FTE equivalent). Excluding pay in lieu of notice, the total remuneration as a multiple of the median of all staff ratio is 5 (2023: 5). The median pay excludes agency and casual workers and is based on July salary costs.

## Compensation for Loss of Office Paid to Former Key Management Personnel

|  | Year ended 31 July |       |
|--|--------------------|-------|
|  | 2024               | 2023  |
|  | £'000              | £'000 |
| Compensation paid to former key management personnel                         | 25                 | -     |
| Estimated value of other benefits, including provisions for pension benefits | -                  | -     |
|  | <b>25</b>          | -     |

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

## 10 Other Operating Expenses

|  | Year ended 31 July |               | Year ended 31 July |               |
|--|--------------------|---------------|--------------------|---------------|
|  | 2024               | 2024          | 2023               | 2023          |
|  | Group              | College       | Group              | College       |
|  | £'000              | £'000         | £'000              | £'000         |
| Teaching departments                           | 3,808              | 2,960         | 3,258              | 2,701         |
| Teaching support services                      | 1,586              | 1,586         | 1,332              | 1,332         |
| Other support services                         | 61                 | 61            | 91                 | 91            |
| Administration and central services            | 942                | 914           | 1,225              | 1,171         |
| General education (Examinations and marketing) | 1,688              | 1,573         | 1,670              | 1,609         |
| Premises costs - running costs                 | 2,591              | 2,583         | 2,254              | 2,252         |
| Premises costs - maintenance                   | 1,029              | 1,029         | 983                | 982           |
| Premises costs - rents and leases              | 247                | 241           | 118                | 112           |
| CDC Grant spend                                | -                  | -             | -                  | -             |
| Catering and residence operations              | 422                | 422           | 401                | 401           |
| Franchised provision                           | 1,418              | 3,356         | 1,516              | 3,185         |
| Other expenses                                 | 15                 | 49            | 69                 | 91            |
|  | <b>13,807</b>      | <b>14,774</b> | <b>12,917</b>      | <b>13,927</b> |

Other operating expenses include:

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Operating leases (buildings and equipment) | 261       | 253       | 218       | 215       |
| Auditors remuneration                      |           |           |           |           |
| Financial statements audit                 | 34        | 34        | 31        | 31        |
| Other services                             | 1         | 1         | 1         | 1         |
| Total auditors' remuneration               | <b>35</b> | <b>35</b> | <b>32</b> | <b>32</b> |

## 11 Interest Payable - Group and College

|   | Year ended 31 July |            | Year ended 31 July |              |
|---|--------------------|------------|--------------------|--------------|
|   | 2024               | 2024       | 2023               | 2023         |
|   | Group              | College    | Group              | College      |
|   | £'000              | £'000      | £'000              | £'000        |
| On bank loans, overdrafts and other loans | 720                | 720        | 719                | 719          |
| On finance leases                         | 36                 | 36         | 33                 | 33           |
| <b>Other interest payable:</b>            |                    |            |                    |              |
| Pension finance costs                     | 217                | 217        | 659                | 659          |
|   | <b>973</b>         | <b>973</b> | <b>1,411</b>       | <b>1,411</b> |

## 12 Taxation - Group Only

|                                       | Year ended 31 July |         | Year ended 31 July |         |
|---------------------------------------|--------------------|---------|--------------------|---------|
|                                       | 2024               | 2024    | 2023               | 2023    |
|                                       | Group              | College | Group              | College |
|                                       | £'000              | £'000   | £'000              | £'000   |
| United Kingdom corporation tax at 25% | -                  | -       | -                  | -       |
| Total                                 | -                  | -       | -                  | -       |

The members do not believe that the college was liable for any Corporation tax arising out of its activities in the year.

## 13 (Surplus)/ Defecit on Continuing Operations for the Year

|   | Year ended 31 July |              |
|---|--------------------|--------------|
|   | 2024               | 2023         |
|   | £'000              | £'000        |
| College's surplus/ (defecit) for the year | 1,564              | (419)        |
| Profits made by subsidiary undertakings   | 179                | 236          |
|   | <b>1,743</b>       | <b>(183)</b> |

## 14 Tangible Fixed Assets

### Land and buildings

| Group                                 | Leasehold     | Freehold      | Equipment     | Assets in the Course of Construction | Total          |
|---------------------------------------|---------------|---------------|---------------|--------------------------------------|----------------|
|                                       | £'000         | £'000         | £'000         | £'000                                | £'000          |
| <b>Cost or valuation</b>              |               |               |               |                                      |                |
| At 1 August 2023                      | 69,256        | 24,914        | 14,884        | 1,387                                | 110,441        |
| Adjustments                           | 453           | (453)         | -             | -                                    | -              |
| Additions                             | -             | -             | 15            | 3,164                                | 3,179          |
| Transfer                              | 641           | 696           | 884           | (2,221)                              | -              |
| Disposals                             | -             | (980)         | (5)           | -                                    | (985)          |
| Impairment                            | -             | -             | -             | -                                    | -              |
| <b>At 31 July 2024</b>                | <b>70,350</b> | <b>24,177</b> | <b>15,778</b> | <b>2,330</b>                         | <b>112,635</b> |
|                                       |               |               |               |                                      |                |
| <b>Accumulated depreciation</b>       |               |               |               |                                      |                |
| At 1 August 2023                      | 25,418        | 10,479        | 13,778        | -                                    | 49,675         |
| Adjustment                            | 165           | (165)         | -             | -                                    | -              |
| Charge for the year                   | 1,678         | 441           | 762           | -                                    | 2,881          |
| Elimination in respect of disposals   | -             | -             | (1)           | -                                    | (1)            |
| <b>At 31 July 2024</b>                | <b>27,261</b> | <b>10,755</b> | <b>14,539</b> | <b>-</b>                             | <b>52,555</b>  |
|                                       |               |               |               |                                      |                |
| <b>Net book value at 31 July 2024</b> | <b>43,089</b> | <b>13,422</b> | <b>1,239</b>  | <b>2,330</b>                         | <b>60,080</b>  |
|                                       |               |               |               |                                      |                |
| <b>Net book value at 31 July 2023</b> | <b>43,838</b> | <b>14,434</b> | <b>1,106</b>  | <b>1,387</b>                         | <b>60,765</b>  |

## Land and buildings

| College                               | Leasehold     | Freehold      | Equipment     | Assets in the Course of Construction | Total          |
|---------------------------------------|---------------|---------------|---------------|--------------------------------------|----------------|
|                                       | £'000         | £'000         | £'000         | £'000                                | £'000          |
| <b>Cost or valuation</b>              |               |               |               |                                      |                |
| At 1 August 2023                      | 69,256        | 24,891        | 14,843        | 1,387                                | 110,377        |
| Adjustments                           | 453           | (453)         | -             | -                                    | -              |
| Additions                             | -             | -             | -             | 3,164                                | 3,164          |
| Transfer                              | 641           | 696           | 884           | (2,221)                              | -              |
| Disposals                             |               | (980)         | -             | -                                    | (980)          |
| <b>At 31 July 2024</b>                | <b>70,350</b> | <b>24,154</b> | <b>15,727</b> | <b>2,330</b>                         | <b>112,561</b> |
|                                       |               |               |               |                                      |                |
| <b>Accumulated depreciation</b>       |               |               |               |                                      |                |
| At 1 August 2023                      | 25,418        | 10,474        | 13,768        | -                                    | 49,660         |
| Adjustment                            | 165           | (165)         | -             | -                                    | -              |
| Charge for the year                   | 1,678         | 441           | 754           | -                                    | 2,873          |
| Elimination in respect of disposals   | -             | -             | -             | -                                    | -              |
| <b>At 31 July 2024</b>                | <b>27,261</b> | <b>10,750</b> | <b>14,522</b> | <b>-</b>                             | <b>52,533</b>  |
|                                       |               |               |               |                                      |                |
| <b>Net book value at 31 July 2024</b> | <b>43,089</b> | <b>13,404</b> | <b>1,205</b>  | <b>2,330</b>                         | <b>60,028</b>  |
|                                       |               |               |               |                                      |                |
| <b>Net book value at 31 July 2023</b> | <b>43,838</b> | <b>14,416</b> | <b>1,075</b>  | <b>1,387</b>                         | <b>60,716</b>  |

The net book value of equipment in both the Group and College tables includes £212k (2023 - £405k) in respect of assets held under finance leases. The depreciation charge for the year for these assets was £193k (2023 - £387k).

## 15 Non-Current Investments

|                                     | Year ended 31 July |       |
|-------------------------------------|--------------------|-------|
|                                     | 2024               | 2023  |
|                                     | £'000              | £'000 |
| Investments in subsidiary companies | 3                  | 3     |

The College owns 100 per cent of the issued ordinary shares of South West Apprenticeship College Limited, Partners in Bristol Limited, and Bristol Professional Services Limited (formerly SBLN Limited). All companies are incorporated in England and Wales. The principal business activity of South West Apprenticeship College Limited is the provision of apprenticeship training. The principal activity of Partners in Bristol Limited is that of a training provider. Bristol Professional Services Limited provides professional staff services.

## 16 Debtors

|                                      | Year ended 31 July |              | Year ended 31 July |              |
|--------------------------------------|--------------------|--------------|--------------------|--------------|
|                                      | 2024               | 2024         | 2023               | 2023         |
|                                      | Group              | College      | Group              | College      |
|                                      | £'000              | £'000        | £'000              | £'000        |
| Amounts falling due within one year: |                    |              |                    |              |
| Trade debtors                        | 890                | 786          | 707                | 627          |
| Amounts owed by group undertakings   | -                  | 262          | -                  | 264          |
| Other debtors                        | 962                | 871          | 1,533              | 1,425        |
| Prepayments and accrued income       | 1,280              | 1,176        | 1,178              | 1,177        |
| Total                                | <b>3,132</b>       | <b>3,095</b> | <b>3,418</b>       | <b>3,493</b> |

## 17 Creditors: Amounts Falling Due Within One Year

|   | Year ended 31 July |              | Year ended 31 July |              |
|---|--------------------|--------------|--------------------|--------------|
|   | 2024               | 2024         | 2023               | 2023         |
|   | Group              | College      | Group              | College      |
|   | £'000              | £'000        | £'000              | £'000        |
| Bank loans and overdrafts                   | 680                | 680          | 680                | 680          |
| Obligations under finance leases            | 174                | 174          | 333                | 333          |
| Payments received on account                | 59                 | 59           | 113                | 57           |
| Trade creditors                             | 709                | 689          | 811                | 796          |
| Amounts owed to group undertakings          | -                  | 837          | -                  | 763          |
| Corporation tax                             | -                  | -            | -                  | -            |
| Other taxation and social security          | 93                 | -            | 103                | 65           |
| Holiday pay Accrual                         | 616                | 601          | 622                | 613          |
| Other Accruals                              | 2,482              | 2,422        | 1,693              | 1,539        |
| Loans from Government                       | 944                | 944          | 944                | 944          |
| Deferred income - government capital grants | 1,408              | 1,408        | 372                | 372          |
| Amounts owed to funding bodies              | 181                | 181          | 158                | 158          |
| Other creditors                             | 601                | 580          | 559                | 541          |
| <b>Total</b>                                | <b>7,947</b>       | <b>8,575</b> | <b>6,388</b>       | <b>6,861</b> |

## 18 Creditors: Amounts Falling Due After One Year

|   | Year ended 31 July |               | Year ended 31 July |               |
|---|--------------------|---------------|--------------------|---------------|
|   | 2024               | 2024          | 2023               | 2023          |
|   | Group              | College       | Group              | College       |
|   | £'000              | £'000         | £'000              | £'000         |
| Bank loans                                  | 6,630              | 6,630         | 7,310              | 7,310         |
| Obligations under finance leases            | 192                | 192           | 294                | 294           |
| Loans from Government                       | 1,950              | 1,950         | 2,894              | 2,894         |
| Deferred income - government capital grants | 30,839             | 30,839        | 24,009             | 24,009        |
| <b>Total</b>                                | <b>39,611</b>      | <b>39,611</b> | <b>34,507</b>      | <b>34,507</b> |

## 19 Maturity of Debt

### a) Bank Loans and Overdrafts

Loans and overdrafts are repayable as follows:

|                            | Year ended 31 July |               | Year ended 31 July |               |
|----------------------------|--------------------|---------------|--------------------|---------------|
|                            | 2024               | 2024          | 2023               | 2023          |
|                            | Group              | College       | Group              | College       |
|                            | £'000              | £'000         | £'000              | £'000         |
| In one year or less        | 1,624              | 1,624         | 1,624              | 1,624         |
| Between one and two years  | 1,624              | 1,624         | 1,624              | 1,624         |
| Between two and five years | 3,046              | 3,046         | 3,990              | 3,990         |
| In five years or more      | 3,910              | 3,910         | 4,590              | 4,590         |
| <b>Total</b>               | <b>10,204</b>      | <b>10,204</b> | <b>11,828</b>      | <b>11,828</b> |

A 25 year commercial loan of £17 million was taken in 2010, repayable in instalments by 2035. The rate on this loan is 7.1%. In 2020 the college restructured its remaining debt of £8.949 million with the Department for Business Innovation and Skills and is payable to the government over a period of 10 years. Interest is accruing at a rate of 5%.

### b) Finance Leases

The net finance lease obligations are:

|                            | Year ended 31 July |            | Year ended 31 July |            |
|----------------------------|--------------------|------------|--------------------|------------|
|                            | 2024               | 2024       | 2023               | 2023       |
|                            | Group              | College    | Group              | College    |
|                            | £'000              | £'000      | £'000              | £'000      |
| In one year or less        | 174                | 174        | 333                | 333        |
| Between one and five years | 192                | 192        | 294                | 294        |
| In five years or more      | -                  | -          | -                  | -          |
| <b>Total</b>               | <b>366</b>         | <b>366</b> | <b>627</b>         | <b>627</b> |

Finance lease obligations are secured on the assets to which they relate.

## 20 Provisions

| Group and College           | Defined benefit obligations | Other Pension obligations | Total        |
|-----------------------------|-----------------------------|---------------------------|--------------|
|                             | £'000                       | £'000                     | £'000        |
| At 1 August 2023            | 5,056                       | 108                       | 5,164        |
| Net pension scheme movement | 657                         | -                         | 657          |
| Expenditure in the period   | -                           | (20)                      | (20)         |
| At 31 July 2024             | <b>5,713</b>                | <b>88</b>                 | <b>5,801</b> |

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government pension Scheme. Further details are given in Note 26.

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

## 21 Cash and Cash Equivalents

|                           | At 1 August 2023 | Cash flows   | Other changes | At 31 July 2024 |
|---------------------------|------------------|--------------|---------------|-----------------|
|                           | £'000            | £'000        | £'000         | £'000           |
| Cash and cash equivalents | 6,666            | 9,102        | -             | 15,768          |
| <b>Total</b>              | <b>6,666</b>     | <b>9,102</b> | <b>-</b>      | <b>15,768</b>   |

## 22 Revaluation Reserve

| Group and College  | Year ended 31 July |             |
|--|--------------------|-------------|
|  | 2024               | 2023        |
|  | £'000              | £'000       |
| <b>At 1 August</b>   |                    |             |
| Transfer from revaluation reserve to income and expenditure account in respect of: |                    |             |
| Depreciation on revalued assets  | 2,634              | 2,634       |
| Depreciation on disposal of revalued assets  | (7)                | (6)         |
| Reversal of previous revaluations  | -                  | -           |
| <b>At 31 July</b>  | <b>2,621</b>       | <b>2628</b> |

## 23 Capital Commitments

|                                       | Group and College |       |
|---------------------------------------|-------------------|-------|
|                                       | 2024              | 2023  |
|                                       | £'000             | £'000 |
| Commitments contracted for at 31 July | 662               | -     |



## 24 Lease Obligations

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

|   | Group and College |            |
|---|-------------------|------------|
|   | 2024              | 2023       |
|   | £'000             | £'000      |
| <b>Minimum lease payments falling due</b>         |                   |            |
| <b>Land and buildings</b>                         |                   |            |
| Not later than one year                           | 86                | 83         |
| Later than one year and not later than five years | 11                | 97         |
| later than five years                             | -                 | -          |
|   | <b>97</b>         | <b>180</b> |
| <b>Other</b>                                      |                   |            |
| Not later than one year                           | 170               | 114        |
| Later than one year and not later than five years | 69                | 147        |
| later than five years                             | -                 | -          |
|   | <b>239</b>        | <b>261</b> |

## 25 Defined Benefit Obligations

The Group's employees belong to three principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Bath & North East Somerset Local Government Pension Scheme (LGPS) for non-teaching staff, and a NEST (defined benefit) pension scheme for employees in the subsidiary undertakings.

| Total Pension Cost for the Year                 |       | 2024         |       | 2023         |
|---|-------|--------------|-------|--------------|
|   |       | £'000        |       | £'000        |
| Teachers' Pension Scheme: contributions paid    |       | 2,829        |       | 2,371        |
| NEST Pension Scheme: contributions paid         |       | 58           |       | 71           |
| Local Government Pension Scheme:                |       |              |       |              |
| Contributions paid                              | 1,753 |              | 1,542 |              |
| FRS 102 (28) charge                             | (422) |              | 431   |              |
| Charge to the Statement of Comprehensive Income |       | 1,331        |       | 1,973        |
|   |       |              |       |              |
| <b>Total Pension Cost for Year</b>              |       | <b>4,218</b> |       | <b>4,415</b> |

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

Contributions amounting to £Nil (2023: £20k) were payable to the schemes on 31 July 2024 and are included in creditors.

## Teachers' Pension Scheme

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

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.68.48% during 2022/23). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023-24 academic year. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

## Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the Bath & North East Somerset Local Authority. The total contribution made for the year ended 31 July 2024 was £2,159,815 (2023: £2,000,825), of which employer's contributions totalled £1,618,641 (2023: £1,542,482) and employees' contributions totalled £540,406 (2023: £458,343). The agreed contribution rates until 31 March 2026 are 18% for employers and range from 5.5% to 12.5% for employees, depending on salary.

## Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary:

|                                      | At 31 July | At 31 July |
|--------------------------------------|------------|------------|
|                                      | 2024       | 2023       |
| Rate of increase in salaries         | 4.1%       | 4.2%       |
| Future pensions increases            | 2.7%       | 2.8%       |
| Discount rate for scheme liabilities | 4.9%       | 5.2%       |
| Linflation assumption (CPI)          | 2.6%       | 2.7%       |

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 | At 31 July |
|----------------------|------------|------------|
|                      | 2024       | 2023       |
|                      | years      | years      |
| Retiring today       |            |            |
| Males                | 21.9       | 22         |
| Females              | 24.1       | 24         |
| Retiring in 20 years |            |            |
| Males                | 23.1       | 23.2       |
| Females              | 26         | 25.7       |

Mortality assumptions as at 31 July 2024 have not been updated to reflect the potential effects of COVID-19 on the basis that it is not possible to draw any meaning conclusions on the potential impact of COVID-19 on mortality rates going forwards. This will be monitored in future periods and mortality rates updated as appropriate.

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

|  | Fair Value at 31 July 2024 | Fair Value at 31 July 2023 |
|--|----------------------------|----------------------------|
|  | £'000                      | £'000                      |
| Equities                               | 39,568                     | 24,268                     |
| Government Bonds                       | 16,643                     | 15,020                     |
| Other Bonds                            | 7,066                      | 6,437                      |
| Property                               | 3,925                      | 4,587                      |
| Cash                                   | (11,541)                   | 740                        |
| Other                                  | 22,846                     | 22,936                     |
| <b>Total market value of assets</b>    | <b>78,507</b>              | <b>73,988</b>              |
|  |                            |                            |
| <b>Estimated return on plan assets</b> | <b>4,500</b>               | <b>3,747</b>               |

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

|   | 2024           | 2023           |
|---|----------------|----------------|
|   | £'000          | £'000          |
| Fair value of plan assets               | 78,507         | 73,988         |
| Present value of plan liabilities       | (84,205)       | (79,026)       |
| Present value of unfunded liabilities   | (15)           | (18)           |
| <b>Net pensions liability (Note 25)</b> | <b>(5,713)</b> | <b>(5,056)</b> |

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

|  | 2024         | 2023         |
|--|--------------|--------------|
|  | £'000        | £'000        |
| <b>Amounts included in staff costs</b> |              |              |
| Current service cost                   | 1,278        | 1,921        |
| Past service cost                      | -            | -            |
| Curtailments                           | -            | 8            |
| <b>Total</b>                           | <b>1,278</b> | <b>1,929</b> |

#### Amounts included in investment income

|                      | 2024       | 2023       |
|----------------------|------------|------------|
|                      | £'000      | £'000      |
| Net interest expense | 217        | 659        |
|                      | <b>217</b> | <b>659</b> |

#### Amounts recognised in Other Comprehensive Income

|   | 2024         | 2023          |
|---|--------------|---------------|
|   | £'000        | £'000         |
| Return on pension plan assets   | 651          | (7,676)       |
| Experience gains arising on defined benefit obligations                 | 835          | (5,390)       |
| Changes in assumptions underlying the present value of plan liabilities | (2,348)      | 28,728        |
| Amount recognised in Other Comprehensive Income                         | <b>(862)</b> | <b>15,662</b> |

#### Movement in net defined benefit liability during the year

|  | 2024           | 2023           |
|--|----------------|----------------|
|  | £'000          | £'000          |
| Surplus/(deficit) in scheme at 1 August            | (5,056)        | (19,628)       |
| Movement in year:                                  |                |                |
| Current service cost                               | (1,278)        | (1,921)        |
| Past service cost                                  | -              | -              |
| Employer contributions                             | 1,753          | 1,542          |
| Administrative expenses                            | (53)           | (44)           |
| Curtailments                                       | -              | (8)            |
| Net interest on the defined liability              | (217)          | (659)          |
| Actuarial gain or loss                             | (862)          | 15,662         |
|  |                |                |
| <b>Net defined benefit liability as at 31 July</b> | <b>(5,713)</b> | <b>(5,056)</b> |

**Asset and Liability Reconciliation**

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | £'000         | £'000         |
| <b>Changes in the present value of defined benefit obligations</b> |               |               |
| <b>Defined benefit obligations at start of period</b>              | 79,044        | 99,189        |
| Current Service cost   | 1,278         | 1,921         |
| Past Service cost  | -             | -             |
| Interest cost  | 4,066         | 3,433         |
| Contributions by Scheme participants                               | 532           | 451           |
| Experience gains and losses on defined benefit obligations         | (835)         | 5,390         |
| Changes in financial assumptions                                   | 2,348         | (28,728)      |
| Benefits paid  | (2,213)       | (2,620)       |
| Curtailments and settlements                                       | -             | 8             |
|  |               |               |
| <b>Defined benefit obligations at end of period</b>                | <b>84,220</b> | <b>79,044</b> |

**Reconciliation of Assets**

|   |               |               |
|---|---------------|---------------|
| <b>Fair value of plan assets at start of period</b> | 73,988        | 79,561        |
| Interest on plan assets                             | 3,849         | 2,774         |
| Return on plan assets                               | 651           | (7,676)       |
| Administrative expenses                             | (53)          | (44)          |
| Employer contributions                              | 1,753         | 1,542         |
| Contributions by Scheme participants                | 532           | 451           |
| Benefits paid                                       | (2,213)       | (2,620)       |
| <b>Assets at end of period</b>                      | <b>78,507</b> | <b>73,988</b> |

## 26 Related Party Transactions

Owing to the nature of the college's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are immaterial and are conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures.

Transactions and balances between City of Bristol College and its subsidiaries are as follows:

|                               | 2024  |           |                       | 2023  |           |                       |
|-------------------------------|-------|-----------|-----------------------|-------|-----------|-----------------------|
|                               | Sales | Purchases | Amounts due from/(to) | Sales | Purchases | Amounts due from/(to) |
|                               | £'000 | £'000     | £'000                 | £'000 | £'000     | £'000                 |
| The South West                |       |           |                       |       |           |                       |
| Apprenticeship Company        | -     | 189       | 265                   | -     | 149       | 261                   |
| Partners in Bristol           | -     | 1,938     | (837)                 | -     | 1,670     | (763)                 |
| Bristol Professional Services | -     | 390       | (3)                   | -     | 182       | 3                     |

The total expenses paid to or on behalf of the Governors during the year was £nil paid to two governors; (2023: £575). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the college or its subsidiaries during the year (2023: None).

## 27 Amounts Disbursed as Agent

Learner support funds

|   | 2024         | 2023     |
|---|--------------|----------|
|   | £'000        | £'000    |
| Funding body grants   | 769          | 834      |
|   | 769          | 834      |
| Disbursed to students   | (900)        | (793)    |
| Administration costs  | (45)         | (34)     |
| <b>Balance Overspent as at 31 July, Included in Creditors</b> | <b>(176)</b> | <b>7</b> |

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

## 28 Events After the Reporting Period

There are no events after the balance sheet date.