



**Annual Report and Financial
Statements
Year ended 31 July 2024**

BROOKLANDS COLLEGE
Annual Report and Financial Statements for the Year Ended 31 July 2024

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BROOKLANDS COLLEGE

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REFERENCE AND ADMINISTRATIVE DETAILS

Members of the Corporation

A full list of the Members of the Corporation is given on pages 14 to 15 of the Annual Report.

Senior Leadership Team

Christine Ricketts	Principal, Chief Executive and Accounting Officer
Ashok Patel	Interim Executive Director of Finance and Resources (until 30 October 2023)
Allan Tyrer	Chief Operating Officer (from 31 October 2023)
Andrew Russell	Executive Director of Student Support and Stakeholder Relationships (until 30th April 2024)
Graeme Baker	Executive Director of Curriculum (until August 2023)
Sarah Clancey	Assistant Principal Education & Personal Development
Lorne Richardson	Assistant Principal Curriculum (from August 2023)

Financial Statement and Regularity Auditors:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal Auditors:

TIAA
Artillery House
Fort Fareham
Hampshire
PO14 1AH

Legal Advisers:

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Bankers:

Barclays Bank PLC
London and South East Education Team
PO Box 544
54 Lombard Street
London
EC3V 9EX

BROOKLANDS COLLEGE

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STRATEGIC REPORT

INTRODUCTION

Brooklands College ('the College') is a General Further Education college in North Surrey, with two campuses located close to the town centres of Weybridge and Ashford. Students come to the College from across Surrey and the Spelthorne area of Middlesex as well as west London Boroughs such as Hounslow. The vast majority of students attend the Weybridge campus.

The College has a good reputation for the successful delivery of engineering and construction together with a rich history and association with Brooklands Racetrack and Vickers who started manufacturing aircraft on the site in 1915.

OBJECTIVES AND STRATEGY

The members of the Corporation as of 18 December 2024 present this report together with the financial statements and the auditor's report for Brooklands College for the year ended 31 July 2024.

Legal Status

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

Strategic Plan

The College's Strategic Plan sets out the College's strategic intentions over the 5-year period 2021-26 and is available on the College website.

Vision

The College's Vision is to be:

An inclusive, inspirational centre for lifelong learning

Mission

The College's Mission is to:

Develop a skilled workforce within an inclusive inspirational environment, to help build our community for the future.

Values

The College has the following values that underpin all that it does:

- Be Caring
- Be Inspiring
- Be Collaborative
- Be a Champion

Strategic Aims

There are five Strategic Aims within the plan which are:

Strategic Aim 1

Produce highly qualified and skilled people ready to enter the workforce. (Learners)

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (continued)

Strategic Aims (continued)

Strategic Aim 2

Be a leading community asset with a strong reputation in order to play a part in driving the local and regional economy. (Community)

Strategic Aim 3

Attract and develop the right staff to deliver a high-quality, inclusive learning experience. (Staff)

Strategic Aim 4

Continue to invest in our facilities to create a high-quality learning environment and be a resource to the community. (Facilities)

Strategic Aim 5

Ensure robust and self-sustaining finances capable of funding the College's strategic aims. (Finance)

Resources

The College has various resources that it uses in pursuit of its strategic aims. It had £49.5m of net assets at the end of the financial year. This included liabilities of £2.46m owed to Barclays under a loan agreement and a £5m long-term creditor for repayment of funding to the ESFA. £31 million of assets are committed to fund a major development project of the College's Weybridge campus. This work is supported by two large grants £6.7 m from the DfE college transformation fund and £5.9m from Surrey CC.

Tangible resources utilised during the year included the main site at the Weybridge campus situated near the train station in Weybridge, Surrey. This main site has workshops for engineering and construction as well as kitchens for catering and art and design studios. It also has a dedicated facility for SEND students as well as sports and gym facilities.

The College has a campus in Ashford for which it has a lease ending in 2066, on a site adjacent to the Thomas Knyvett College and a facility for Hair & Beauty in Ashford High Street that was opened in Autumn 2021.

The College developed a plan for the resizing, re-orientation and refurbishment of the Weybridge Campus to enable it to deliver its forecast provision efficiently and effectively and improve the facility for its learners and the community. These plans also included the re-development of the site that would generate funds to repay a substantial proportion, £20m, of the ESFA clawback debt which was shown as a long-term creditor at 31st July 2023. The College's planning application was approved in December 2023 and in July 2024 the contract to sell a large proportion of the College's spare estate to Cala Homes completed.

The College employed 181 staff (average headcount), of whom 68 were teaching staff and the remainder support and professional staff to support the College activities.

In 2023-24 the College delivered activity that produced £9,886,000 for Young People, £756,000 for adults and £767,000 for apprenticeship programmes.

The College had 2,021 learners in the year, of which 1,360 were 16 to 18 year olds, 272 apprentices, 40 higher education learners, and 349 adult learners.

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

STRATEGIC REPORT (continued)

OBJECTIVES AND STRATEGY (continued)

Resources (continued)

The College has a good reputation locally and nationally. Our learners continue to be very successful in a range of skills competitions, winning accolades at both regional and national levels in Hair & Beauty, Construction and Catering. Maintaining a quality brand is essential for the College's success in attracting students and developing external relationships with employers and the local community.

The College was last inspected by Ofsted in December 2023 (full inspection) and judged as Good for Overall Effectiveness.

Stakeholders

Brooklands College has the following key stakeholders:

- Students
- Funding bodies
- Staff and trade unions
- Local and regional employers
- Local authorities (Elmbridge, Spelthorne, Runnymede and Surrey County Council)
- Local communities and schools
- Parents, guardians and carers of students
- Other FE institutions
- Professional bodies
- Local Enterprise Partnerships (LEPs), in particular Enterprise M3

The College recognises the importance of these relationships and engages in regular communication with them through the College website, feedback through College processes and regular and ad hoc meetings.

DEVELOPMENT AND PERFORMANCE

Financial Results

The College's financial health grade forecast for 2023-24 and planned for 2024-25, submitted as part of the Financial Plan to the ESFA, was reported as 'Good'. The College has, however, a long-term creditor of £5m for amounts to be repaid to the ESFA due to the College's failure to comply with funding regulations related to its subcontracting activities between 2014-15 and 2017-18. Following this, the College withdrew from its subcontracting activities and was placed in FE intervention in 2019.

Since then it has focused on its core activities and on serving the demands of its local community. The College has been improving its financial health, establishing an operational cash-positive position and achieving an operationally breakeven position. The College has been working closely with the ESFA to secure the future sustainability of the College. Performance and cash flow are monitored in the monthly Management Accounts, regular forecasting and planning, and ratios in the financial returns to the ESFA.

The College has recorded a surplus before other gains and losses for 2023-24 of £812,000 (2023: deficit £238,000) with an operating surplus for 2023-24 of £546,000 (2023: deficit £251,000).

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

STRATEGIC REPORT (continued)

DEVELOPMENT AND PERFORMANCE (continued)

Financial Results (continued)

Income for the year increased and total comprehensive income was £35,618,000 (2023: income of £1,151,000), this is stated after accounting for the actuarial gain in respect of pension schemes of £nil (2023: actuarial gain of £1,389,000), profit of disposal of assets £39,454,000 (2023: nil) and loss on revaluation of fixed assets of £2,495 (2023: £2,068,000) and the loss due to the unwinding of discount on the amount due to the ESFA of £1,897m (2023 gain £nil).

The College made purchases of non-current assets during the year of £3,313,000 (2023: £2,068,000), much of which related to the plans for the development of the Weybridge estate and refurbishment of classrooms, communal areas for learners and replacement of IT systems to improve the efficiency of the College.

Developments in the year

The College received planning permission for the redevelopment of its campus at Weybridge and the sale of land and buildings to Cala Homes. The sales contract completed on 4th July 2024 and the proposed redevelopment has commenced. This scheme has also facilitated the repayment of £20m to the ESFA.

During the summer period of 2024, the College initiated two smaller capital projects, these being:

- i. A Carbon Passive Technology Centre at the Weybridge Campus
- ii. T-level electrical workshops at its Ashford campus – Development of the T-level facility – which was opened in September 2024.

The College continues to develop its IT systems and infrastructure to enable the College to be efficient and effective, but also secure in terms of cyber security.

Reserves

At 31 July 2024, the College had reserves of £49,590,000 (2023: £13,972,000), cash balances of £6,471,000 (2023: £2,335,000) and a balance of £2,224,000 remaining on the loan taken out with Barclays to fund the Engineering, Art and Design (Barnes Wallis) build and refurbishment (2023: £2,461,000). This fixed-term, fixed-interest loan with Barclays Bank PLC was originally for £5.0 million and repayable over 25 years.

Sources of income

The majority of 16-18 students enrolled at Brooklands College are on pre-entry to Level 2 programmes with 281 on Educational Health Care Plans (EHCPs) and 123 students with High Needs. The College receives significant grants from the ESFA to fund the costs of learners. In 2023-24, this organisation provided 94% (2023: 85%) of the College's total income. Income from public funding in total (including local Government funding income) was 94% (2023: 89%).

Group companies

The College has one subsidiary company, Brooklands Enterprises Limited, which is dormant.

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

STRATEGIC REPORT (continued)

FUTURE PROSPECTS

Developments

The College has two sites at Ashford, with one centre built on leased land (from the local secondary school) which can accommodate c.200 students. The College responded to changes in demand in Ashford to focus on Electrical Installation for young people and ESOL, Maths and English for adults.

The large provision in construction and engineering and associated technologies on the Weybridge campus continues to be distinctive in meeting the needs of our locality. Hair & Beauty meets growing demand on both campuses and the salon that opened on Ashford High Street in 2021 will create further opportunities for industry-based learning.

The College continues to raise the aspirations of young people with lower attainment levels and Special Educational Needs & Disabilities (SEND).

The College has positive links with local schools and the College is experiencing increased demand for full-time 14 -16 college places from mainstream schools and electively home-educated pupils.

The increased demand for alternative provision in Surrey for school pupils strengthens our relationships with the feeder schools. Innovative and collaborative work is taking place with the North East Surrey Head Teachers and Surrey County Council to introduce alternative provision for pupils with behavioural needs and those at risk of permanent exclusion.

The College has higher education provision in Motorsport Engineering with Oxford Brookes University, and also provision for early years/ Special Educational Needs with Kingston University.

Innovative and progressive work with large employers is underway. The reputation locally continues to strengthen as partnerships are developed with key stakeholders and employers such as Elmbridge, Runnymede and Spelthorne Borough Councils.

The College has reviewed its forecast demand for the College's services for the next five years. The Estates Strategy has been reviewed to resize and refurbish its campuses. This will enable it to deliver provision to meet anticipated demand. There is a particular focus on working with local employers and stakeholders to help meet changing skills needs and respond to the challenges resulting from the effects of the pandemic.

The College introduced T-Levels in 2023-24 in Digital, Health, and Education and Care routes. The two-year technical qualifications are an alternative choice for learners following GCSEs.

Financial plan

The Corporation approved a revised financial plan in December 2023, following a review of its previous plan to better meet its stated objectives. Under this revised plan, the College targeted a 14% EBITDA underpinned by a pay-cost ratio of 63%. This would secure a financial health grade of 'good' potentially leading to 'outstanding' in two to three years. The plan was to make a surplus in 2023-24 of 3% of income. The College strategic plan provides the direction and focus for the College and alongside the Quality Improvement Plan will provide detailed milestones and actions that will be taken to achieve the strategic aims.

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

STRATEGIC REPORT (continued)

FUTURE PROSPECTS (continued)

The College has no plans to increase borrowings, and the plan for the Estate has released sufficient funds to refurbish the Weybridge Estate as well as repay ESFA for the funding owed.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cashflows, banking arrangements and the risks associated with those activities. The College has a Treasury Management policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and, following reclassification into the Public Sector, the ESFA.

Cash flows and liquidity

The College's net cash inflow from operating activities was £1,303,000, an increase compared to an inflow of £2,559,000 in 2022-23. The size of the College's borrowing and its approach to interest rates is calculated to ensure affordability and sufficient cash flow. This was achieved during the year.

Reserves

The College has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activity. As at the balance sheet date, the Income and Expenditure account reserve was of £34,645,000 (2023 deficit of: £15,908,000 due to owing £23,103,000 to the ESFA.)

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained at the College level and is reviewed termly by the Audit and Risk Committee and more frequently where necessary. The risk register identifies the key risks, risk appetite, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The College has recently reviewed the main risk factors affecting the College including, financial risks. Other risks have emerged as just as important for consideration and mitigation. The regular review of the register measures the mitigated risk scores:

The College has targeted mitigations which are under consistent review to ensure that those risks are monitored and managed. There is also a continuous review of the financial risks and whilst the mitigations appear to be working, the College remains vigilant over any potential increase in risk. The key financial risk is solvency, both in supporting the operating position, and especially in relation to funding the main capital project. The overall financial and solvency risk has been mitigated through strategies implemented to improve the overall operating position in readiness for 2024-25.

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STRATEGIC REPORT (continued)
PRINCIPAL RISKS AND UNCERTAINTIES (continued)
Risk Management (continued)

Key Performance Indicators

The College's key performance indicators, targets and results for 2023-24 are set out below.

Key performance indicator	Measure/target	Actual
Student numbers (16-19)	1,358	1,374
Student achievement	84%	83.1%
Operating surplus	£529k	£546k

Student achievements

An achievement rate of 83.1% was reported for 2023-24. Good performance over the past three years was achieved overall.

The College was last inspected by Ofsted in December 2023 (full inspection) and judged as **Good** for Overall Effectiveness.

Public Benefit

Brooklands College is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on pages 14 and 15.

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

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

- High-quality teaching and learning.
- Widening participation and tackling social exclusion.
- Excellent employment record for students.
- Strong student support systems.
- Links with employers, industry and commerce.
- Links with Local Enterprise Partnerships (LEPs).

Equity, Diversity and Inclusion

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion, belief, class and age. The College Equality and Diversity Policy was updated in July 2024 and EDI, objectives and actions were agreed upon for the year.

The College is 'Disability Confident Committed'. The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

STRATEGIC REPORT (continued)

Disability Statement

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

- All new and refurbished buildings are designed to enable full access by people with a physical disability so that eventually most of the facilities will be suitable for disabled people;
- Specialist lecturers, assistants and support staff are employed to support students with learning difficulties and disabilities; and
- Specialist equipment is made available to students as required.

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.

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£8,210,000
Percentage of the total pay bill spent on facility time	0.0%

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of an agreement to the contrary, requires colleges to make payments to suppliers within 30 days of either the provision of goods or services, or the date on which the invoice was received. During the accounting period 1 August 2023 to 31 July 2024, the College paid 94% of its invoices within 30 days of receipt of the invoice (2023: 92%). The College incurred only minimal interest charges in respect of late payment for this period.

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

STRATEGIC REPORT (continued)

GOING CONCERN

The Corporation has considered the principal risks for the next 12 months from the date of issue of these statements. For 2024-25, student recruitment has remained similar to 2023-24 and the Corporation sees no reason why there would be a decline in student recruitment for the next academic year starting in 2025-26.

A small surplus is planned for the next two years and a detailed cashflow forecast has been produced which shows the College has sufficient cash to meet its debts as they fall due. The amount due to the ESFA shown as a long-term creditor of £5m is supported by a repayment agreement and has been scheduled for repayment over 25 years from October 2031 with an interest charged at 2.4% p.a. The Barclays Bank loan has covenants which are planned to be met with repayments until 2031.

The College will be impacted by inflationary increases as well as increased pressures on staff costs and recruitment of staff particularly considering its location and high cost of living. In addition, the College's specialist areas of curriculum (such as construction and engineering) require specialist staff that are in high demand both in the FE and private sector.

The Corporation has carried out an assessment of the key risks facing the College, which includes solvency and liquidity risks. The College's financial position has made an operating surplus in the 2023-24 financial year and is forecasting one for 2024-25 having delivered the financial efficiencies required to make the financial correction and this should be secure for the longer term. The College is participating in and has supported FE Commissioner intervention and is planning to increase the efficiency of its curriculum and estate.

Management will continue to review the financial performance of the College on a monthly basis, including an evaluation of actual results and forecasts compared to financial plans as well as detailed cash flow forecasting, reporting regularly to the Corporation.

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

EVENTS AFTER THE REPORTING PERIOD

There have been no material events after 31 July 2024 and up to the approval of these accounts:

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 19 December 2024 and signed on their behalf by:



C Mahoney (Dec 20, 2024 11:33 GMT)

Professor Craig Mahoney
Chair of Corporation

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:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”); and

In the opinion of the Corporation, the College complies with all provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on an internal review of compliance with the Code, reported to the Search and Governance Committee on 16 October 2024.

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance; at all times. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges, issued by the Association of Colleges in March 2015 and adopted by the Corporation in July 2015. The Corporation adopted the AOC’s new Further Education Governance Code on 14 December 2023, to provide its framework for good governance in 2023-24.

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

BROOKLANDS COLLEGE

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

THE CORPORATION

The members who served the Corporation during the year and up to the date of signature are listed in the table below. Committees are abbreviated as follows: TLC = Teaching and Learning Committee, FRC = Finance and Resources Committee, ARC = Audit and Risk Committee, GNR = Governance, Nominations and Remuneration Committee.

Name	Date of Appointment/ reappointment	Term of Office	Term of office ends	Committees served	Attendance in 2023-24
Corporation members - external appointments					
Prof Craig Mahoney Chair of Governors	29/03/23	4 years	28/03/27	FRC GNR	Corp 5/6 FRC 6/8 GNR 4/4
Dr Barbara Spittle Vice-Chair to 31 December 23, 3	22/09/21	4 years	Resigned 31/12/23	TLC GNR	Corp 2/2 TLC 1/1 GNR 1/1
Jesse Adekoya	12/10/23	4 years	11/10/27	FRC	Corp 3/5 FRC 5/6
Fiona Capstick	10/07/24	4 years	09/07/28	TLC	Corp 1/1 TLC 1/1
Tarcha Choony	24/05/23	4 years	09/09/24	N/A	Corp 0/1 FRC 1/1
Dr Andrew Gilchrist	11/12/19 14/12/23	4 years	13/12/27	ARC (Chair) GNR	Corp 5/6 ARC 6/6 GNR 3/4
Fred Gray	14/12/18 14/12/22	4 years	Resigned 31/03/24	F&R (Chair to April 24) GNR	Corp 4/4 FRC 4/4 GNR 2/2 Total: 16/16(100%)
Adam Herriott	12/10/23	4 years	11/10/27	ARC	Corp 3/4 ARC 4/4

BROOKLANDS COLLEGE

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Name	Date of Appointment/ reappointment	Term of Office	Term of office ends	Committees served	Attendance record 2023-24 and to the date of signing
Mary Hughes	13/12/18 14/12/22	4 years	13/12/26	ARC (to Dec 23) TLC	Corp 6/6 Audit 2/2 TLC 3/4
James Measures	12/10/23	4 years	11/10/27	ARC	Corp 3/5 ARC 4/5
Hilary Omissi Vice Chair from 23/10/24	03/04/19 29/03/23	4 years	31/03/27	FRC (to Dec 23) GNR (from Jan 24)	Corp 4/6 FRC 1/2 GNR 3/3
Rebecca Page- Tickell	24/08/24	4 years	23/08/28	FRC TLC	Corp 1/1 FRC 1/1 TLC 1/1
Jackie Pearson Interim Vice Chair to 23/10/24	First appointed 13/07/14 Reappt 15/07/22	4 years	15/07/26	TLC (Chair) S&G	Corp 5/6 TLC 3/4 GNR 3/4
Louise Salmon	12/07/23	4 years	Resigned 31/08/24	TLC	Corp 2/5 TLC 3/3
Paul Stedman	04/07/2018 04/07/22	4 years	03/07/26	ARC (to Dec 23) FRC (Interim Chair)	Corp 5/6 ARC 1/2 FRC 8/8
Meyrick Vevers	10/07/24	4 years	09/07/28	FRC (Chair from 10/24)	Corp 1/1 FRC 2/2

Principal					
Christine Ricketts	25/03/20	<i>ex officio</i>	NA	TLC FRCs GNR Part 1	Corp 6/6 FRC 8/8 TLC 4/4 GNR 3/4
Staff Governors					
Judy Peck	15/12/21	4 years	05/06/24	TLC	Corp 1/4 TLC 1/2
Ian Carey	12/10/22	4 years	27/03/24	FRC	Corp 3/4 FRC 2/4
Lee Chantry	01/09/2024	4 years	31/08/2028	TLC	Corp 1/1 TLC 1/1
Maureen McDermott	01/09/2024	4 year	31/08/2028	FRC	Corp 1/1 FRC 2/2
Student Governors					
Daniela Clarkson	01/08/23	2 years	Resigned 11/-7/24	TLC	Corp 3/3 TLC 2/3
Rowen Baker	01/09/2024	1 year		NA	Corp 1/1
Mitchell Fletcher	16/10/2024	1 year		NA	Corp 1/1

The Clerk to the Corporation during the period was Melissa Drayson, who was appointed as Director of Governance on 1 August 2022

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

The Governance Framework

It is the Corporation's responsibility to bring independent judgment 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, human resources, health and safety, and corporate social responsibility and environmental issues. The Corporation met five times during 2023-24, with four scheduled meetings and one Special meetings.

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: the Audit and Risk Committee (pre January 2024 the Audit Committee), the Teaching and Learning Committee (formerly Curriculum and Performance Review Committee), the Finance and Resources Committee (formerly Resources Committee), the Governance, Nominations and Remuneration Committee, (formerly the Search and Governance and the Senior Postholder Employment Committees combined). The current Committee structure and terms of reference resulted from a review undertaken in November 2023. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College website or from the Director of Governance at: Brooklands College, Heath Road, Weybridge, Surrey, KT13 8TT.

The Director of Governance maintains a register of financial and personal interests of the Corporation. The register is available for inspection at the above address.

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

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

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

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer 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 Governance, Nominations and Remuneration (GNR) Committee, consisting of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate induction and ongoing training is provided to governors as required. The Corporation, on the advice of the GNR Committee, appointed three new independent governors during 2023-24 and in early 2024-25.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Members of the Corporation are appointed for a term of office not exceeding four years, and may be reappointed for one further term up to a maximum of eight years' service. In very exceptional circumstances, the Corporation may resolve to appoint a governor beyond eight years.

Corporation performance

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2024 and graded itself as "Good" on the Ofsted scale. This judgement was based on the outcomes of the External Governance Review, along with internal reviews of committee effectiveness, an assessment against the Code of Governance and other inputs.

The External Governance Review was undertaken by Rob Lawson for the Association of Colleges. Mr Lawson is an experienced FE Chair of Governance and a National Leader of Governance. A summary of the review findings and associated actions, agreed with the reviewer, has been published on the College website.

The conclusion of the External Governance Review was that:

"The Board consistently impacts positively on college outcomes and there is strong evidence that it is highly proficient in most or all of the Board outcomes"

The Corporation is committed to its own development and held several strategic development and engagement events during 2023-24. These included Strategic Development sessions in October 2023, January and April 2024, a Teaching and Learning day in March 2024, which included a range of learning visits, and a range of external events including joint training and workshops for Surrey FE governors on Equality, Diversity and Inclusion and the Skills Agenda. Governors were also encouraged to attend training run by the Association of Colleges and the Education Training Foundation.

All governors have undertaken mandatory online training in safeguarding.

New staff and student governors attended Association of College/ETF induction sessions specific to their role, and the student governor attended the Festival of Student Governors at the AoC Annual Conference in November 2023

The Chair of Governors attended the ETF/Institute of Directors Chair's Development Programme in November 2023 and participates regularly in the regional AoC Chairs' Forum.

Governance professional development

The Director of Governance is a part-qualified Company Secretary, and holds the ICSA (now Chartered Governance Institute) Professional Diploma in Corporate Governance. During 2023-24, the Director of Governance undertook training and development provided by the Association of Colleges, Education Training Foundation, Eversheds Sutherland LLP, and the Good Governance Institute, as well as participating in the above training and development sessions for Brooklands Governors. In November 2023, the Director of Governance undertook the ETF/Institute of Directors Governance Professionals Strategic Leadership programme.

Teaching and Learning Committee (TLC) (formerly the Curriculum and Performance Review Committee)

The Teaching and Learning Committee meets termly to provide oversight and challenge on behalf of the Board on the quality of teaching and learning, the student experience, and the development of the College curriculum. The Committee comprises eight members of the Corporation with skills

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

and experience to assist it with its role, including the Teaching Staff Governor and both Student Governors.

Audit and Risk Committee (formerly the Audit Committee)

During 2023-24 the Audit and Risk Committee comprised four members of the Corporation plus a co-opted member with audit expertise. The Committee operates in accordance with written terms of reference approved by the Corporation, and the ESFA's Post 16 Audit Code of Practice.

The Audit and Risk Committee meets at least once a term and provides a forum for reporting by the College's internal and financial statements and regularity auditors, who have access to the Committee for receives and considers reports from the main further education funding bodies, as they affect the College's business.

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

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

The Audit and Risk Committee met four times in the year to 31 July 2024, plus once jointly with the Finance and Resources Committee to receive the financial statements and regularity audit report from the external auditors. The members of the Committee and their attendance records for 2023-24 are as shown below:

Committee member	Committee Meetings attended
Mr A Gilchrist (Chair)	4 of 4
Mr A Herriott	3 of 3
Ms M Hughes	2 of 2
Mr J Measures	2 of 3
Mr P Stedman	1 of 2
Mr R Parish (Co-opted member)	4 of 4

Finance and Resources Committee

The Finance and Resources (F&R) Committee met six times during 2023-24. The membership comprises seven members of the Corporation and was chaired, until April 2024, by an experienced Chartered Accountant. The interim committee chair role was then covered by an experienced governor with property expertise pending the recruitment of a financially qualified governor to take up the position.

The F&R Committee has delegated authority to monitor, scrutinise, on behalf of the Corporation, the efficient and effective use of resources, the solvency of the institution and the safeguarding of its assets. The Committee provides a forum for reporting on the financial management and control of the College, health and safety, infrastructure and property matters and budgets, and also oversees the College's People Performance strategy.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

The Committee has access to the external auditors of the College and, in conjunction with the Audit and Risk Committee, receives the initial presentation of the financial statements and regularity audit report at a joint meeting prior to the December Corporation.

The Governance, Nominations and Remuneration (GNR) Committee

The GNR Committee was formed in December 2023 by combining the previous Search and Governance Committee and the Senior Postholder Employment Committee. The Committee met three times during 2023-24. Committee membership comprises four independent governors and it is chaired by the Vice Chair of the Corporation. The Chair of the Corporation is a member of the Committee. The Principal is a member of the Committee for governance and nominations items only but attends to advise the Committee on the performance of senior post holders other than herself.

The Committee's responsibilities are:

- a) the appointment and reappointment of governors, and matters relating to the effectiveness and performance of the College's governance arrangements
- b) to make recommendations to the Board on the performance, remuneration and benefits of the Principal and Chief Executive, and other designated senior postholders. Details of remuneration for the year ended 31 July 2024 are set out in note 8 to the financial statements.

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between the College and the funding bodies.

The Accounting Officer is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

Christine Ricketts was the Accounting Officer throughout 2023-24.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the College's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

The Corporation is of the view that there is a formal on-going 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. The risk management process is regularly reviewed by the Audit and Risk Committee and the Corporation.

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit and Risk Committee. At minimum, annually, the internal audit service provides the Corporation with a report on internal audit activity in 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.

Risks faced by the College

The Corporation reviews risk on a termly basis, where it reviews the College key risks to ensure that they are complete alongside the assessment of the type of risk the College is subject to, its severity, probability and mitigating actions that are in place, planned as well as an update. The key risks faced by the College are shown in the Strategic Report.

Control weaknesses identified

Any control weaknesses that arose during the year were addressed promptly and swift action was taken to rectify them. This included ensuring that records of all procurement are maintained and reported termly to governors. Weaknesses in underlying Health and Safety systems identified in 2022-23 have been rectified and closely monitored by the Finance and Resources Committee and Health and Safety Link Governor.

Responsibilities under funding agreements

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

The Corporation has ensured that adequate controls have been in place to ensure that the College has fulfilled its contractual responsibilities. This has been supported by the work of the Internal Audit Learner Number System audit.

Statement from the Audit Committee

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

The specific areas of work undertaken by the Audit Committee in 2023-24 and up to the date of the approval of the financial statements were:

Key financial controls	Reasonable
Recruitment controls	Reasonable
Cyber security – maturity assessment	Reasonable
Learner Numbers (ILR/MIS)-controls and completeness of records	Reasonable

In their annual report the internal auditors (TIAA) opinion is that, for the areas reviewed during the year, that the corporation has reasonable and effective risk management, control and governance processes in place. However, several improvement matters were identified and brought to the attention of the College, although none of these were urgent. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews and carried out during the year. This is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or the ability to meet financial obligations which must be obtained by the College from its various sources of assurance.

Review of effectiveness

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

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

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

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

The Executive Group and the Audit and Risk Committee also receive regular reports from Internal Audit and other sources of assurance, which include recommendations for improvement.

The Audit and Risk Committee’s role in this area is confined to a high-level review of the arrangements for internal control and advising the Corporation as appropriate.

The Corporation’s agenda includes receipt of the minutes of the Audit and Risk Committee and a regular item for consideration of risk and control, and receives reports thereon from the Executive Group and the Audit and Risk Committee.

BROOKLANDS COLLEGE

Annual Report and Financial Statements for the Year Ended 31 July 2024

This ensures that members of the Corporation obtain the relevant degree of assurance both independently and from senior officers of the College and that risk is monitored and reported routinely and not merely by exception.

At its December 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Executive Group and Internal Audit and taking into account events since 31 July 2024.

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

Approved by order of the members of the Corporation on 19 December 2024 and signed on its behalf by:



C Mahoney (Dec 20, 2024 11:33 GMT)

Professor Craig Mahoney
Chair of Corporation



Christine Ricketts (Dec 20, 2024 11:38 GMT)

Christine Ricketts
Accounting Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm 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.

Signed


Christine Ricketts (Dec 20, 2024 11:38 GMT)

Christine Ricketts
Accounting Officer

19 December 2024

STATEMENT OF THE CHAIR OF CORPORATION

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

Signed


C Mahoney (Dec 20, 2024 11:33 GMT)

Professor Craig Mahoney
Chair of the Corporation

19 December 2024

STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

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

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

The Corporation is responsible for the maintenance and integrity of its website; 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.

STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION
(continued)

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, which 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 19 December 2024 and signed on their behalf by:


C Mahoney (Dec 20, 2024 11:33 GMT)

Professor Craig Mahoney
Chair of the Corporation

INDEPENDENT AUDITORS' REPORT TO THE CORPORATION BROOKLANDS COLLEGE

Opinion

We have audited the financial statements of Brooklands College (the 'College') for the year ended 31 July 2024 which, with the members of the Corporation's report, comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its deficit of expenditure over income for the year then ended; and
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE CORPORATION BROOKLANDS COLLEGE
(continued)

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE CORPORATION OF BROOKLANDS COLLEGE
(continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

INDEPENDENT AUDITORS' REPORT TO THE CORPORATION OF BROOKLANDS COLLEGE
(continued)

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Corporation meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the College's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Dated: 20 December 2024

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

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

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

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

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

Respective responsibilities of Brooklands College and the reporting accountant

The Corporation of Brooklands College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 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.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (continued)

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the College's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 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.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date 20 December 2024

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
INCOME			
Funding body grants	2	13,176	11,687
Tuition fees and education contracts	3	296	420
Other income	4	458	904
Investment income	5	79	43
Total income		14,009	13,054
EXPENDITURE			
Staff costs	6	8,210	8,574
Fundamental restructuring costs	6	58	24
Other operating expenses	8	3,284	3,101
Depreciation and amortisation	11 & 12	1,408	1,344
Interest and other finance costs	9	237	249
Total expenditure		13,197	13,292
Surplus (Deficit) before other gains and losses		812	(238)
Profit on disposal of fixed assets	12	39,464	—
(Loss) on unwinding of discount on amount due to ESFA under repayment agreement		(1,897)	—
Surplus (deficit) before tax		38,379	(238)
Taxation	10	—	—
Surplus (Deficit) for the year		38,379	(238)
Unrealised loss on revaluation of fixed assets	12	(2,495)	—
Actuarial (loss)/gain in respect of pensions	25	(266)	1,389
Total comprehensive income for the year		35,618	1,151
Represented by:			
Unrestricted comprehensive income		35,618	1,151

All items of income and expenditure relate to continuing activities.

STATEMENT OF CHANGES IN RESERVES

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 31 July 2022	(17,059)	29,880	12,821
Deficit from the income and expenditure account	(238)	-	(238)
Actuarial gain in respect of pensions	1,389	-	1,389
Total comprehensive income for the year	<u>1,151</u>	<u>-</u>	<u>1,151</u>
Balance at 31 July 2023	<u>(15,908)</u>	<u>29,880</u>	<u>13,972</u>
Deficit from the income and expenditure account	35,618	-	35,618
Other comprehensive income			
Transfers between revaluation and income and expenditure reserves	1,924	(1,924)	-
Eliminated on disposals	10,516	(10,516)	-
Impairment of fixed assets	2,495	(2,495)	-
Total comprehensive income for the year	<u>50,553</u>	<u>(14,935)</u>	<u>35,618</u>
Balance at 31 July 2024	<u>34,645</u>	<u>14,945</u>	<u>49,590</u>

BALANCE SHEET AS AT 31 JULY 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Tangible fixed assets	12	30,515	47,159
Intangible fixed assets	11	131	158
Investments	15	-	-
Debtors receivables after more than one year	13	16,067	-
		<u>46,713</u>	<u>47,317</u>
Current assets			
Trade and other receivables	14	14,697	1,079
Cash and cash equivalents	20	6,471	2,335
		<u>21,168</u>	<u>3,414</u>
Less: Creditors – amounts falling due within one year	16	<u>(3,363)</u>	<u>(3,779)</u>
Net current assets/(liabilities)		<u>17,805</u>	<u>(365)</u>
Total assets less current liabilities		64,518	46,952
Creditors – amounts falling due after more than one year	17	(14,579)	(32,729)
Provisions			
Defined benefit obligations	25	—	—
Enhanced pension provision	25	<u>(349)</u>	<u>(251)</u>
Total net assets		<u>49,589</u>	<u>13,972</u>
Unrestricted reserves			
Income and expenditure account		34,645	(15,908)
Revaluation reserve		14,945	29,880
Total unrestricted reserves		<u>49,590</u>	<u>13,972</u>

The financial statements on pages 32 to 60 were approved and authorised for issue by the Corporation on 19 December 2024 and were signed on its behalf on that date by:


C Mahoney (Dec 20, 2024 11:33 GMT)

Professor Craig Mahoney
Chair of Corporation


Christine Ricketts (Dec 20, 2024 11:38 GMT)

Christine Ricketts
Accounting Officer

STATEMENT OF CASH FLOWS

		Year ended 31 July 2024	Year ended 31 July 2023
	Notes	£'000	£'000
Cash flows from operating activities			
Surplus (Deficit) for the year		38,379	(238)
Adjustment for non-cash items			
Depreciation and amortisation		1,408	1,344
(Increase) in debtors due within one year		(490)	(205)
Increase in creditors due within one year		(417)	561
Increase/ (Decrease) in creditors due after one year		-	920
Increase/ (Decrease) in provisions		107	(16)
Pensions costs less contributions payable		(266)	(13)
Adjustment for investing or financing activities			
Investment income		(79)	(43)
Interest payable		237	249
profit on disposal of asset		(39,464)	-
(Loss) on unwinding of discount on amount due to ESFA under repayment agreement		1,897	-
Cash provided by operating activities		<u>1,303</u>	<u>2,559</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		24,500	-
Investment income		79	43
Capital Grant Receipts		1,089	-
Payments made to acquire fixed assets		(2,356)	(2,096)
		<u>23,312</u>	<u>(2,053)</u>
Cash flows from financing activities			
Interest paid		(237)	(249)
Repayment of ESFA debt		(20,000)	-
Repayment of amount borrowed		(251)	(308)
		<u>20,488</u>	<u>(557)</u>
Increase (decrease) in cash and cash equivalents in the year		4,136	(51)
Cash and cash equivalents at 1 August	20	2,335	2,386
Cash and cash equivalents at 31 July	20	<u>6,471</u>	<u>2,335</u>

NOTES TO THE ACCOUNTS

1. Accounting Policies

Statement of Accounting Policies and estimation techniques

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

Basis of Preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 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.

The financial statements are presented in sterling and rounded to the nearest thousand.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

Basis of Consolidation

The financial statements include the College only and are not consolidated as the College's subsidiary, Brooklands Enterprises Limited, controlled by the Group was dormant in the period. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. The financial statements are made up to 31 July 2024.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance, are set out in the members of the Corporation's report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the financial statements and accompanying notes.

The College's management have prepared a five year financial plan, with a rolling 12 month forecast for the Corporation.

The College currently has a fixed term loan with annual debt servicing costs of £383,964. The College operates without any overdraft facilities and at the year-end had a positive cash balance of £2,221,000 (2023 - £2,335,000). The College's forecasts indicate that it will be able to operate within the existing facility.

Accordingly, the College has continued to prepare the financial statements on a going concern basis, and the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future.

NOTES TO THE ACCOUNTS (CONTINUED)

1. Accounting Policies (continued)

Recognition of Income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

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

Capital grant funding

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

Fee income

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

Investment income

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

Agency Arrangements

The College acts as an agent in the collection and payment of learner support funds and bursaries. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure account of the College and are shown separately in note 27, except for the 5 per cent of the grant issued which is available to the College to cover administration costs relating to the grant.

The College also acts as an agent for Employer Incentives and End Point Assessments where the related payments received from the funding bodies and disbursements are excluded from the income and expenditure account of the College.

NOTES TO THE ACCOUNTS (Continued)

1. Accounting Policies (continued)

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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

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

Short term employment benefits

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

Enhanced Pensions

The actual cost of any enhanced on-going pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the on-going 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 provision in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

NOTES TO THE ACCOUNTS (Continued)

1. Accounting Policies (continued)

Non-current assets - Tangible fixed assets

Freehold Land and buildings

The College has adopted a policy of revaluation for its freehold properties. The freehold properties were valued to fair value by professional valuers at 31 July 2024 using the Building Cost Information Service (BCIS) indices.

The College's buildings are specialised buildings and therefore it is not appropriate to value them based on open market value. The buildings are stated in the balance sheet at valuation on the basis of depreciated replacement cost.

In subsequent years, freehold properties will be held at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Freehold buildings are depreciated on a straight line basis over their expected remaining useful lives as assessed by external professional valuers (or assessed by the College in the intervening years between external valuations).

The remaining useful lives range from 2 to 50 years. The remaining useful life will be reviewed at the end of each accounting period, with the cost and accumulated depreciation re-stated as appropriate so that the carrying amount reflects the revalued amount of the asset. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Freehold buildings include structure, internal finishes of the building, and building plant and machinery, but exclude loose fittings. Borrowing and finance costs, which are directly attributable to the acquisition, construction or production of land and buildings, are capitalised as part of the cost of those assets.

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

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

Leasehold Land and Buildings

The College has adopted a policy of revaluation for its leasehold properties. The leasehold properties were valued at fair value by professional valuers at 31 July 2020.

The College's buildings are specialised buildings and therefore it is not appropriate to value them based on open market value. The buildings are stated in the balance sheet at valuation on the basis of depreciated replacement cost.

NOTES TO THE ACCOUNTS (Continued)

1. Accounting Policies (continued)

Non-current assets - Tangible fixed assets (continued)

Leasehold Land and Buildings (continued)

In subsequent years, leasehold properties will be held at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Leasehold properties are depreciated on a straight line basis over the unexpired term of the lease.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £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.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College and is now fully depreciated. All other equipment is depreciated on a straight line basis over its useful economic life as follows:

- heavy plant – 15 years
- plant – 10 years
- heavy duty equipment – 7 years
- motor vehicles and general equipment - 5 years
- computer servers and infrastructure – 5 years
- computer equipment - 4 years
- software - 3 years

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

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

Non-current assets – Intangible fixed assets

Intangible fixed assets such as software development are recognised based on section 18 of FRS 102 and are stated deemed cost less accumulated amortisation. Such assets are amortised on a straight line basis over their expected useful lives within five years from the day of purchased.

NOTES TO THE ACCOUNTS (Continued)

1. Accounting Policies (continued)

Leased non-property assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the statement of comprehensive income. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

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

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

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

Investments

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

Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment or deposit qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

The College has a long term creditor of £5m owed to the ESFA.

NOTES TO THE ACCOUNTS (Continued)

1. Accounting Policies (continued)

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% 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 and services as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College'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.

NOTES TO THE ACCOUNTS (Continued)

1. Accounting Policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty
(continued)

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 and any changes in these assumptions, which are disclosed in note 25, 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

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Recurrent grants		
Education and Skills Funding Agency (ESFA) 16-18	9,886	8,948
Education and Skills Funding Agency (ESFA) adult	756	710
Education and Skills Funding Agency (ESFA) apprenticeships	767	586
Office for Students	-	56
Specific grants		
Education and Skills Funding Agency (ESFA)	802	569
Local Government funding income	374	365
Releases of government capital grants	411	250
HE grant	180	203
Total	13,176	11,687

NOTES TO THE ACCOUNTS (Continued)

3. Tuition fees and education contracts

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Adult education fees	13	14
Apprenticeship fees and contracts	5	13
Fees for FE loan supported courses	12	76
Fees for HE loan supported courses	-	97
Fees for Full Cost course	15	62
Total tuition fees	<u>45</u>	<u>262</u>
Education contracts	251	158
Total	<u>296</u>	<u>420</u>

4. Other income

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Other income generating activities	330	339
Miscellaneous income	128	153
Insurance claims	-	412
Total	<u>458</u>	<u>904</u>

5. Investment income

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Interest receivable	79	43
Total	<u>79</u>	<u>43</u>

NOTES TO THE ACCOUNTS (Continued)

6. Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as full time equivalents, were:

	2024	2023
	No.	No.
Teaching staff	68	107
Non-teaching staff	113	124
	<u>181</u>	<u>231</u>

Staff costs for the above persons

	2024	2023
	£'000	£'000
Wages and salaries	5,436	5,664
Social security costs	494	533
Other pension costs	1,194	1,489
	<u>7,124</u>	<u>7,686</u>
Payroll sub total	7,124	7,686
Contracted out staffing services	1,086	901
	<u>8,210</u>	<u>8,587</u>
Fundamental restructuring costs – Contractual	58	24
	<u>8,268</u>	<u>8,611</u>
Total staff costs	8,268	8,611

NOTES TO THE ACCOUNTS (Continued)

7. Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Postholders with the exception of the Clerk to the Governors. These comprised the Principal and the Executive Director of Finance, Resources and People Performance.

Staff costs include compensation paid to key management personnel for loss of office.

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:	<u>6</u>	<u>5</u>

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

	Key management personnel	
	2024	2023
	No.	No.
£50,001 to £55,000 p.a.	1	1
£55,001 to £60,000 p.a.	1	2
£60,001 to £65,000 p.a.	2	-
£65,001 to £70,000 p.a.	1	1
£120,001 to £125,000 p.a.	1	1
	<u>6</u>	<u>5</u>

No other members of staff earned in excess of £60,000 in the year ended 31 July 2024 (2023 - none).

Key management personnel compensation is made up as follows:

	2024	2023
	£'000	£'000
Salaries	431	383
Employers National Insurance	51	43
Benefits in kind	-	-
	<u>482</u>	<u>426</u>
Pension contributions	114	81
Total key management personnel compensation	<u>596</u>	<u>507</u>

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

NOTES TO THE ACCOUNTS (Continued)

7. Key management personnel (continued)

The above compensation includes amounts payable to the Accounting Officer. The role during 2023-24 was occupied by the Principal/Chief Executive. The pay and remuneration for this role was as follows:

	2024	2023
	£'000	£'000
Salaries	122	115
National Insurance Contributions	15	16
Benefits in kind	-	-
	<u>137</u>	<u>131</u>
Pension contributions	31	27
	<u>168</u>	<u>158</u>

The members of the Corporation other than the Accounting Officer and the staff Governors did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties, detailed in note 26.

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

The remuneration package of key management personnel, including the Principal, is subject to annual review by the Remuneration Committee of the Corporation who use benchmarking information to provide objective guidance.

The Principal reports to the Chair of the Corporation, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Principal pay and remuneration expressed as a multiple:

	2024	2023
Principal's basic salary as a multiple of the median of all staff	3.77	3.68
Principal total remuneration as a multiple of the median of all staff	4.26	3.85

NOTES TO THE ACCOUNTS (Continued)

8. Other operating expenses

	2024	2023
	£'000	£'000
Teaching costs	473	754
Non-teaching costs	1,304	922
Premises costs	1,508	1,426
Total	<u>3,285</u>	<u>3,102</u>

Other operating expenses include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
Financial statements audit and other services provided by the financial statements auditor	44	40
Internal audit	9	20
Hire of assets under operating leases	22	28
	<u>75</u>	<u>88</u>

9. Interest and other finance costs

	2024	2023
	£'000	£'000
On bank loans, overdrafts and other loans	244	249
	<u>244</u>	<u>249</u>
Net interest on defined benefit pension liability (note 25)	(7)	-
	<u>(7)</u>	<u>-</u>
Total	<u>237</u>	<u>249</u>

10. Taxation

The College is not liable for any corporation tax arising out of its activities during the year ended 31 July 2024 or the previous year.

NOTES TO THE ACCOUNTS (Continued)

11. Intangible Assets

	Software & Development Costs £'000	Total £'000
Cost		
At 1 August 2023	340	340
Additions	24	24
At 31 July 2024	364	364
Amortisation		
At 1 August 2023	182	182
Charge in year	50	50
At 31 July 2024	232	232
Net book value at 31 July 2024	131	131
Net book value at 31 July 2023	158	158

NOTES TO THE ACCOUNTS (Continued)

12. Tangible fixed assets

	Freehold Land and Buildings £'000	Leasehold £'000	Equipment £'000	Works In Progress £'000	Total £'000
Cost or valuation					
At 1/8/2023	93,553	2,235	7,336	2,523	105,647
Transfers	345	-	237	(582)	-
Revaluation	(954)	-	-	-	(954)
Additions	885	-	409	2,019	3,313
Disposals	(38,192)	-	(397)	(957)	(39,546)
At 31/7/2024	55,637	2,235	7,585	3,003	68,460
Depreciation					
At 1/8/2023	51,319	243	6,926	-	58,488
Revaluation	1,541	-	-	-	1,541
Charge in year	1,043	47	268	-	1,358
Disposals	(23,085)	-	(357)	-	(23,442)
At 31/7/2024	30,818	290	6,837	-	37,945
Net Book Value 2024	24,819	1,945	748	3,003	30,515
Net Book Value 2023	42,234	1,992	410	2,523	47,159

The freehold land and buildings include Brooklands College Weybridge and the leasehold properties include Brooklands College, Ashford (Thomas Knyvett School). Brooklands College, Ashford is on a 50 year lease from 7 September 2016.

The college completed the sale of land and several buildings to Cala Homes on 4th July 2024 and the disposal details are set out above. The profit on disposal, £39m of the freehold land and buildings is being used to finance the redevelopment of the Weybridge

The remaining freehold properties known as Brooklands College Weybridge, were valued as at the 31st July 2024 by Ashworth's, a regulated firm of Chartered surveyors. Brooklands College, Ashford (Thomas Knyvett School) was valued at 31 July 2020 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations was prepared in accordance with the requirements of the RICS Valuation Global Standard 2020 and Financial Reporting Standard 102 valuations were undertaken on a Fair Value basis, and valued by reference to a Depreciated Replacement Cost approach. The valuation is reported under the special assumption to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced, except where stated separately within the valuation report.

The Ashford land and properties were revalued with reference to the Building Cost Information Service (BCIS) as at 31 July 2021 and 31 July 2022. The has been no material change in the valuation as at 31st July 2024.

NOTES TO THE ACCOUNTS (Continued)

13. Debtors receivable after more than one year

The College has deferred proceeds of the land sale of £16,067, incorporated as debtors receivable after more than one year

14. Trade and other receivables

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	41	437
Prepayments and accrued income	644	104
Other debtors	14,012	538
Total	<u>14,697</u>	<u>1,079</u>

15. Investments

The College owns a £2 investment representing 100% of the issued ordinary shares and voting rights in Brooklands Enterprises Limited, a company incorporated in England and Wales. The interest in Brooklands Enterprises Limited was effectively acquired on 1 April 1993 and has not been consolidated into the results of the College, as the company has not traded in the year.

16. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Bank loans (note 18)	266	238
Other loans	286	70
Trade payables	944	858
Other taxation and social security	117	123
Accruals and deferred income	414	397
Deferred income - Government Capital Grants	411	250
Deferred income - Government Revenue Grants	-	20
Amounts owed to ESFA	646	1,053
Pension contributions	163	148
Holiday Accrual	46	-
Other creditors	81	623
Total	<u>3,374</u>	<u>3,780</u>

Accruals and deferred income include accruals for capital works and invoices and fees received in advance for 2024-25.

NOTES TO THE ACCOUNTS (Continued)

17. Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Due to ESFA under a repayment agreement	5,000	23,103
Bank loans (note 18)	1,945	2,224
Other loans	-	285
Deferred income - government capital grants	7,634	7,117
Total	<u>14,579</u>	<u>32,729</u>

The amount due to ESFA under a repayment agreement relates to funding due to be repaid to the ESFA resulting from subcontracting arrangements that did not comply with funding agreements in previous years. A formal interest bearing debt repayment agreement for £5m of this debt has been agreed, with repayments starting in October 2031.

18. Maturity of debt

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2024	2023
	£'000	£'000
In one year or less	552	320
Between one and two years	281	552
Between two and five years	297	892
In five years or more	1,367	1,053
Total	<u>2,497</u>	<u>2,817</u>

At 31 July 2024, the College had one main loan facility of £5m repayable at 5.6% interest over 25 years, secured on the Barnes Wallis Building on the Weybridge campus.

19. Provisions

	Defined benefit obligations (note 25) £'000	Enhanced pensions £'000	Total £'000
At 1 August 2023	-	251	251
Movement in period	-	98	98
At 31 July 2024	<u>-</u>	<u>349</u>	<u>349</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 25.

NOTES TO THE ACCOUNTS. (Continued)

19. Provisions (continued)

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

The principal assumptions for this calculation are:

	2024	2023
Inflation rate (CPI)	2.2%	2.8%
Interest rate	<u>4.9%</u>	<u>5.0%</u>

20. Cash and cash equivalents

	At 1 August 2023 £'000	Cash flows £'000	Other changes £'000	At 31 July 2024 £'000
Cash and cash equivalents	2,335	4,136	—	6,471
Total	<u>2,335</u>	<u>4,136</u>	<u>—</u>	<u>6,471</u>

The closing cash balance as at 31st July 2024 includes £2,227 relating to the sale proceeds of Land and buildings to Cala Homes. This cash is held separately and is designated to support the College's redevelopment programme.

21. Capital and other commitments

	2024 £'000	2023 £'000
Commitments contracted for at 31 July	1,793	1,952
Commitments authorised but not contracted for at 31 July	34,409	-
	<u>36,202</u>	<u>1,952</u>

22. Lease Obligations

At 31 July the College had no non-cancellable operating leases (2023 – none).

NOTES TO THE ACCOUNTS (Continued)

23. Contingencies

There are no contingent liabilities or assets at the balance sheet date (2023 – nil).

24. Events after the reporting period

No events took place after the end of the reporting period.

25. Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined-benefit plans. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Total pension cost for the year

	2024	2023
	£000	£000
Teachers' Pension Scheme: contributions paid	625	614
Local Government Pension Scheme:		
Contributions paid	828	862
FRS 102 (28) charge	<u>(259)</u>	<u>13</u>
Charge to the Statement of Comprehensive Income	569	875
Enhanced pension charge to Statement of Comprehensive Income	<u>—</u>	<u>—</u>
Total pension cost for year within staff costs (note 7)	<u>1,194</u>	<u>1,489</u>

Contributions amounting to £162,509 (2023: £147,955) were payable to the schemes and are included in creditors.

NOTES TO THE ACCOUNTS (Continued)

25. Defined benefit obligations (continued)
Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments. 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 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 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.(compared to £22 billion in the 2016 valuation)

As a result of the valuation, employer contribution rates were set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.68% during 2018/19).

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

The pension costs paid to TPS (employees and employers) in the year amounted to £790,486 (2023: £835,717).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Surrey Local Authority. The total contributions made for the year ended 31 July 2024 were £989,000 (2023 - £1,017,000), of which employer's contributions totalled £828,000 (2023 - £862,000) and employees' contributions totalled £161,000 (2023: £155,000). The agreed contribution rates for future years are 17.3% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

NOTES TO THE ACCOUNTS (Continued)

25. Defined benefit obligations (continued)

Local Government Pension Scheme

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 2024	At 31 July 2023
Rate of increase in salaries	3.75%	4.95%
Future pensions increases	2.75%	3.05%
Discount rate for scheme liabilities	4.95%	5.10%
Inflation assumption (CPI)	2.2%	2.80%
Commutation of pensions to lump sums for pre-April 2008	25%	25%
Commutation of pensions to lump sums for post-April 2008	63%	63%

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 2024	At 31 July 2023
	years	years
<i>Retiring today</i>		
Males	21.2	21.3
Females	24.6	24.7
<i>Retiring in 20 years</i>		
Males	21.7	21.8
Females	25.6	25.6

Sensitivity Analysis

Increase (decrease) to net defined benefit liability as a result of a change in actual assumptions:

	At 31 July 2024	At 31 July 2023
Discount rate -0.1%;	£420,000	£393,000
Salary increase rate +0.1;	£6,500	£6,000
Mortality assumption – 1 year increase	4%	4%
Mortality assumption – 1 year decrease	4%	4%
Pension increase rate +0.1;	£425,000	£395,000

NOTES TO THE ACCOUNTS (Continued)

25. Defined benefit obligations (continued)

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

	Fair Value at 31 July 2024 £'000	Fair Value at 31 July 2023 £'000
Equity instruments	22,900	21,297
Debt instruments	4,332	3,319
Property	2,475	2,213
Cash	1,238	830
Total fair value of plan assets	30,945	27,659
Liabilities	24,956	23,846
Net assets before asset cap	5,989	3,813
Asset cap applied	(5,989)	(3,813)
Net assets/(liabilities) after asset cap	-	-

The annual valuation of the LGPS pension indicates a net asset of £5,989k, however the actuaries of the scheme have indicated an asset cap should apply.

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

	2024 £'000	2023 £'000
Fair value of plan assets	30,945	27,659
Present value of plan liabilities	(24,956)	(23,846)
Asset cap applied	(5,989)	(3,813)
Net pensions assets/(liability) (Note 25)	-	-

NOTES TO THE ACCOUNTS (Continued)

25. Defined benefit obligations (continued)

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

	2024 £'000	2023 £'000
Amounts included in staff costs		
Current service cost	569	801
Past service cost	—	—
Total	569	801
Amounts included in finance costs		
Net cost	1,404	932
Net interest cost	(1,411)	(980)
	(7)	(48)
Amount recognised in Other Comprehensive Income		
Changes in demographic assumptions	(50)	231
Experience gain on defined benefit obligations	200	5,884
Return on pension plan assets	1,866	36
Experience losses arising on defined benefit obligations	-	(949)
Asset gap adjustment	(2,016)	(3,813)
Amount recognised in Other Comprehensive Income	-	1,389
Movement in net defined benefit liability during year		
	2024 £'000	2023 £'000
Net defined benefit liability in scheme at 1 August	-	(1,402)
Movement in year:		
Current service cost	(569)	(801)
Employer contributions	828	862
Net interest on the defined liability	(7)	(48)
Asset Cap Adjustment	(2,282)	(3,813)
Actuarial gain or loss	2,016	5,202
Net defined benefit liability at 31 July	-	-

NOTES TO THE ACCOUNTS (Continued)

25. Defined benefit obligations (continued)

Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	23,846	27,998
Current service cost	569	801
Interest cost	1,210	980
Contributions by scheme participants	161	155
Experience gains and losses on defined benefit obligations	857	949
Changes in financial assumptions	(657)	(5,884)
Changes in demographics assumptions	(50)	(231)
Estimated benefits paid	(980)	(922)
Past service cost	-	-
Defined benefit obligations at 31 July	<u>24,956</u>	<u>23,846</u>
 Changes in fair value of plan assets		
Fair value of plan assets at 1 August	27,659	26,596
Interest on plan assets	1,411	932
Return on plan assets	1,866	36
Employer contributions	828	862
Contributions by Scheme participants	161	155
Estimated benefits paid	(980)	(922)
Fair value of plan assets at 31 July	<u>30,945</u>	<u>27,659</u>

26. Related party transactions

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

Transactions with the funding agencies, Office for Students and the local authorities are detailed in notes 2, 14, 16 and 19.

The total expenses paid to or on behalf of the members of the Corporation during the year was Nil (2023: Nil).

No member of the Corporation has received any remuneration or waived payments from the College or its subsidiaries during the year (2023: None).

NOTES TO THE ACCOUNTS (Continued)

27. Amounts disbursed as agent

	2024 £'000	2023 £'000
Funding body grants – Bursary Support (ESFA)	69	69
Funding body grants – Vulnerable Young People bursary	20	24
Funding body grants – Advanced Loan bursary	15	33
Funding body grants – Residential support	64	67
	<u>168</u>	<u>193</u>
Disbursed to students	(158)	(188)
Administration costs	—	—
Balance unspent as at 31 July, included in creditors	<u>10</u>	<u>5</u>

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. The income and expenditure in the College's financial statements relates to the payment of course fees, nursery fees and travel costs by the College on the student's behalf.

	2024 £'000	2023 £'000
Employer incentives received – Apprenticeships	51	50
Disbursed to employers and suppliers	(42)	(41)
Balance unspent as at 31 July, included in creditors	<u>9</u>	<u>9</u>

Funds are provided for employers and providers to be paid an incentive for taking on apprentices as well as paying organisations to conduct End Point Assessments for apprentices. The College is only acting as a paying agent and therefore the funds received and the disbursements are excluded from the statement of comprehensive income.