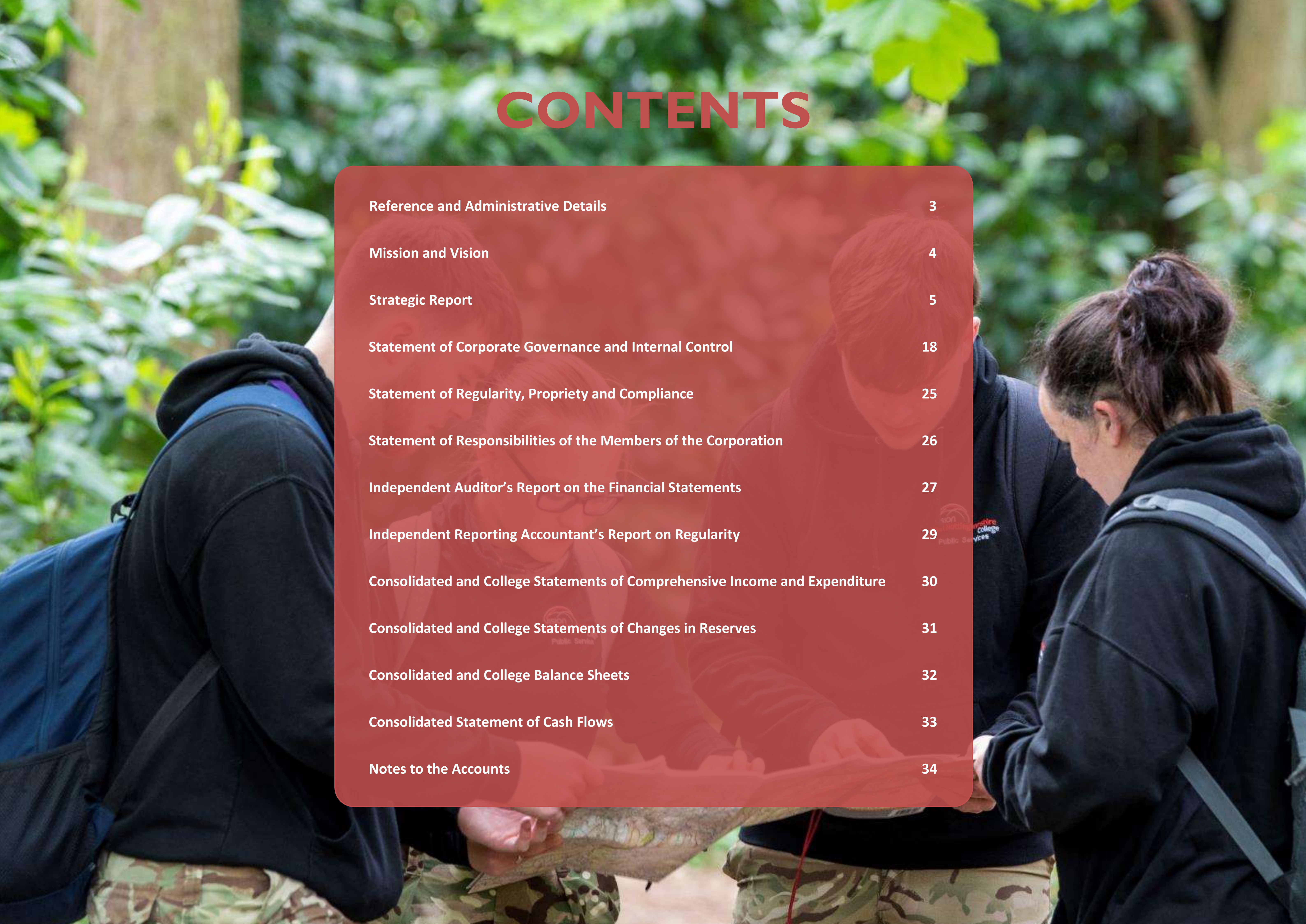
West Nottinghamshire College Group

Annual Report and Consolidated Financial Statements

Year ended 31 July 2024

WEST NOTTINGHAMSHIRE COLLEGE



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Reference & Administrative Details

Registered office:

Vision West Nottinghamshire College, Derby Road, Mansfield, Notts. NG18 5BH

A full list of governors is provided on pages 18-19 of these financial statements.

Eloise Hopkinson acted as Clerk to the Corporation throughout the period.

Key Management Personnel

ANDREW CROPLEY

Principal and CEO; Accounting Officer

JON FEARON

Director of Finance

DIANE BOOTH

Vice Principal: Curriculum & Quality

LOUISE KNOTT

Vice Principal: Communications, Engagement and Student Experience

Professional Advisers

Financial statements auditor and reporting accountants:

- Forvis Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Internal auditor:

- Validera, HW Controls & Assurance, Unit 3 Crompton Court, Attwood Road, Burntwood, WS7 3GG

Bankers:

- Lloyds Bank PLC, 1st Floor, 125 Colmore Row, Birmingham, B3 3SF

Solicitors:

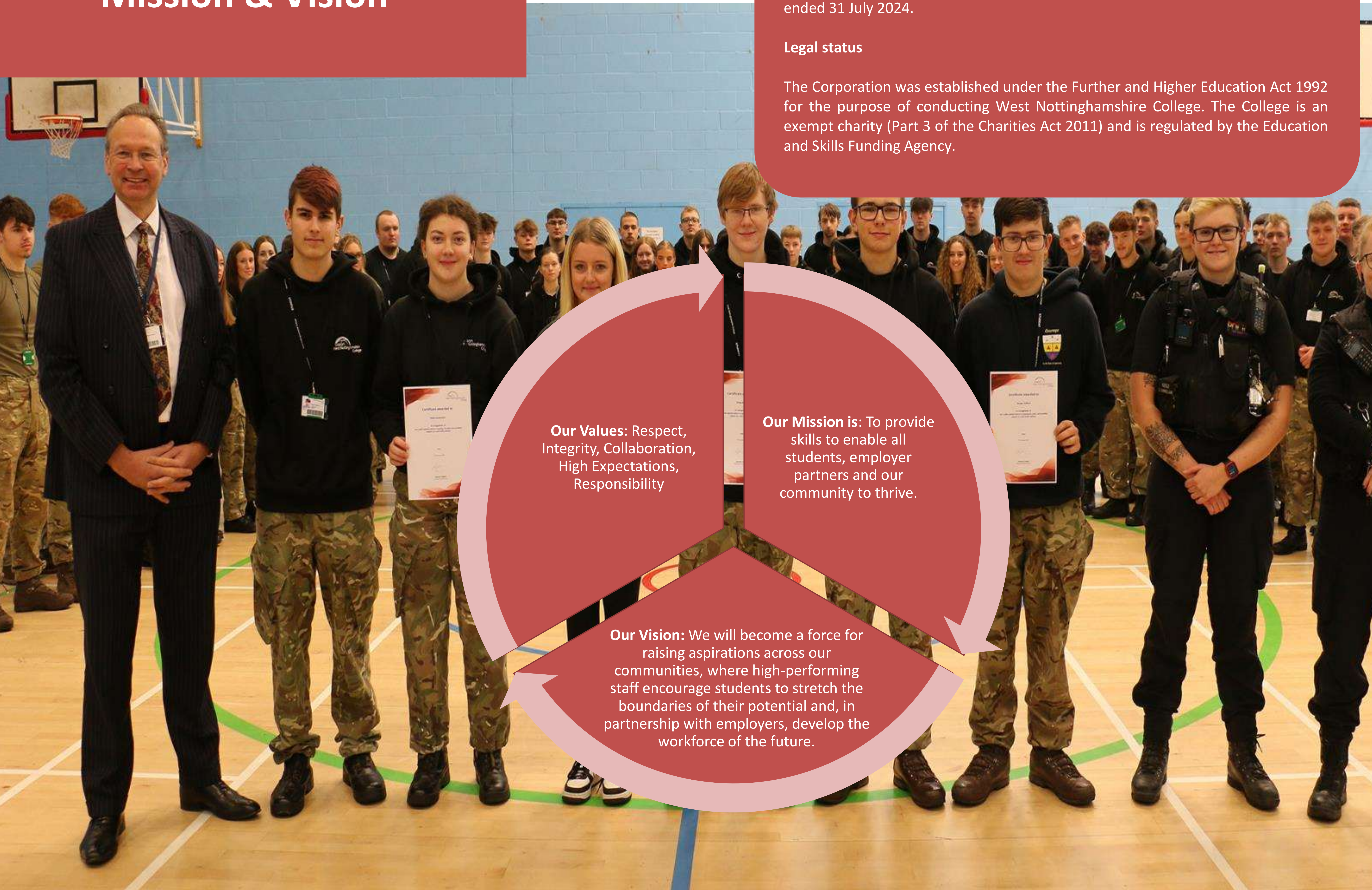
- Eversheds Sutherland LLP, Water Court, 116-118 Canal Street, Nottingham, NG1 7HF

Mission & Vision

The governing body presents its annual report together with the financial statements and auditor's report for West Nottinghamshire 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 West Nottinghamshire College. The College is an exempt charity (Part 3 of the Charities Act 2011) and is regulated by the Education and Skills Funding Agency.

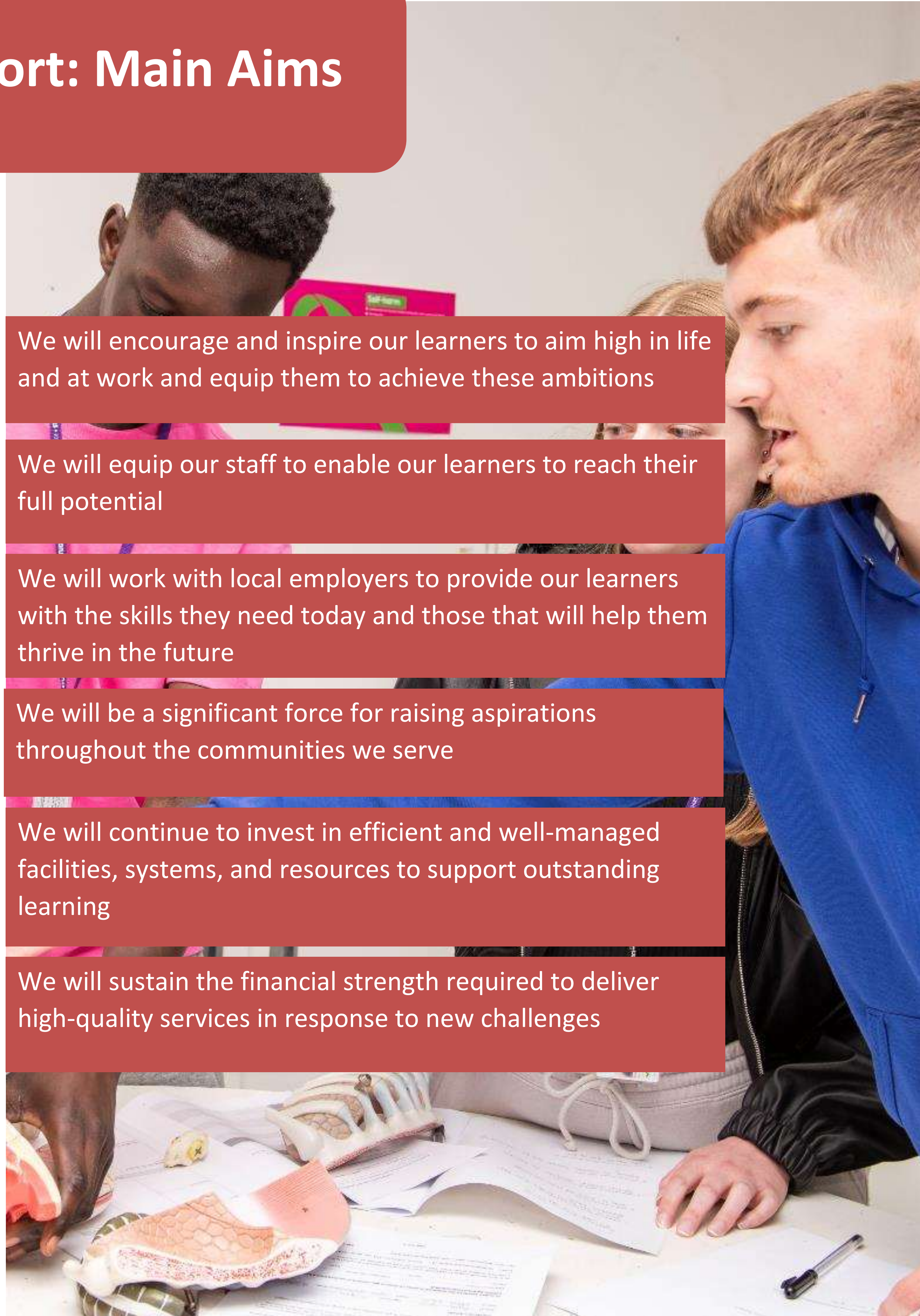


Our Values: Respect, Integrity, Collaboration, High Expectations, Responsibility

Our Mission is: To provide skills to enable all students, employer partners and our community to thrive.

Our Vision: We will become a force for raising aspirations across our communities, where high-performing staff encourage students to stretch the boundaries of their potential and, in partnership with employers, develop the workforce of the future.

Strategic Report: Main Aims



AIM 1: LEARNERS

We will encourage and inspire our learners to aim high in life and at work and equip them to achieve these ambitions

AIM 2: EMPLOYEES

We will equip our staff to enable our learners to reach their full potential

AIM 3: EMPLOYERS

We will work with local employers to provide our learners with the skills they need today and those that will help them thrive in the future

AIM 4: COMMUNITIES

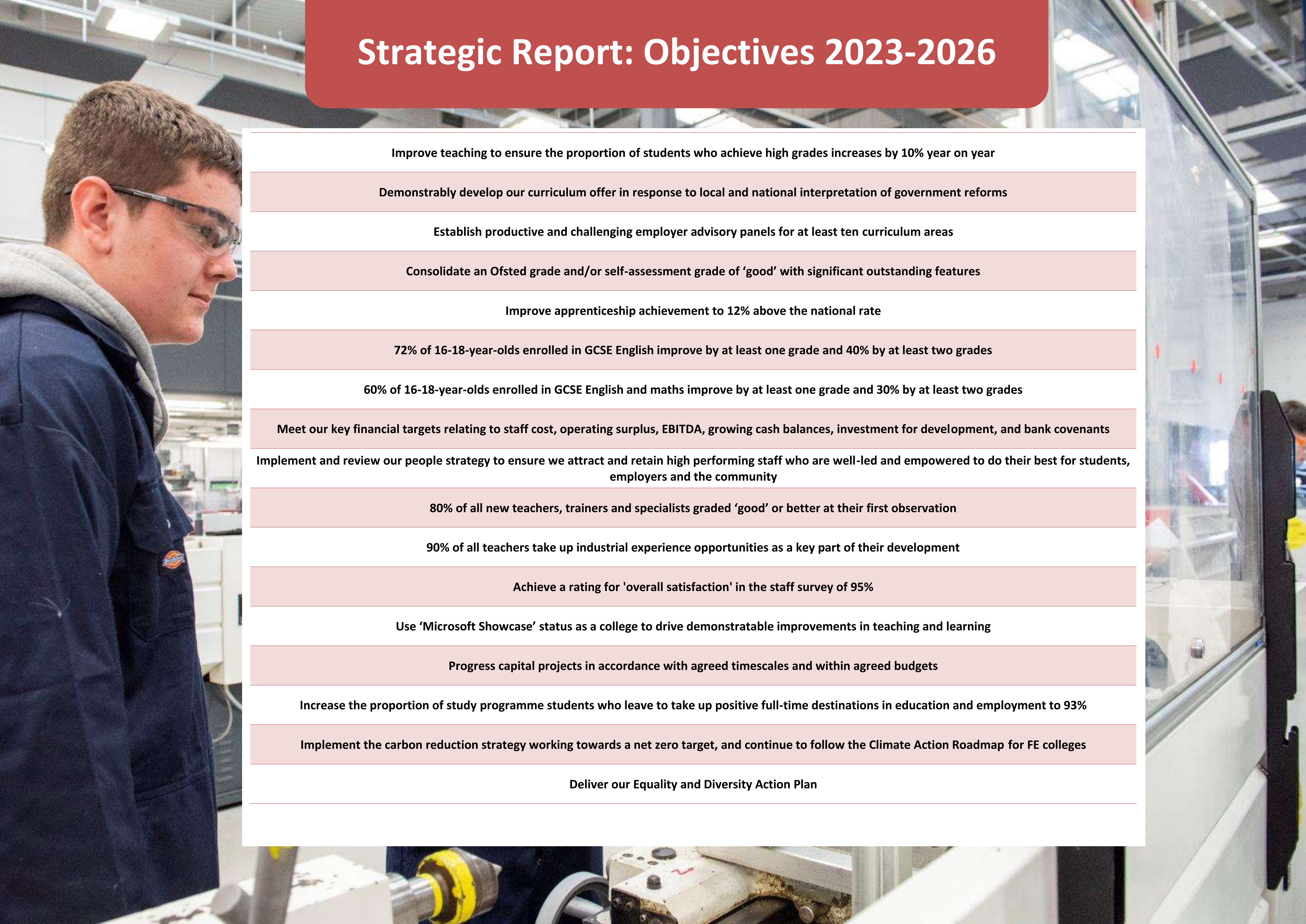
We will be a significant force for raising aspirations throughout the communities we serve

AIM 5: INFRASTRUCTURE

We will continue to invest in efficient and well-managed facilities, systems, and resources to support outstanding learning

AIM 6: FINANCE

We will sustain the financial strength required to deliver high-quality services in response to new challenges



Strategic Report: Objectives 2023-2026

Improve teaching to ensure the proportion of students who achieve high grades increases by 10% year on year
Demonstrably develop our curriculum offer in response to local and national interpretation of government reforms
Establish productive and challenging employer advisory panels for at least ten curriculum areas
Consolidate an Ofsted grade and/or self-assessment grade of ‘good’ with significant outstanding features
Improve apprenticeship achievement to 12% above the national rate
72% of 16-18-year-olds enrolled in GCSE English improve by at least one grade and 40% by at least two grades
60% of 16-18-year-olds enrolled in GCSE English and maths improve by at least one grade and 30% by at least two grades
Meet our key financial targets relating to staff cost, operating surplus, EBITDA, growing cash balances, investment for development, and bank covenants
Implement and review our people strategy to ensure we attract and retain high performing staff who are well-led and empowered to do their best for students, employers and the community
80% of all new teachers, trainers and specialists graded ‘good’ or better at their first observation
90% of all teachers take up industrial experience opportunities as a key part of their development
Achieve a rating for 'overall satisfaction' in the staff survey of 95%
Use ‘Microsoft Showcase’ status as a college to drive demonstratable improvements in teaching and learning
Progress capital projects in accordance with agreed timescales and within agreed budgets
Increase the proportion of study programme students who leave to take up positive full-time destinations in education and employment to 93%
Implement the carbon reduction strategy working towards a net zero target, and continue to follow the Climate Action Roadmap for FE colleges
Deliver our Equality and Diversity Action Plan

Financial Health: Milestones Achieved

Core activity of providing education to young people and adults continues to be sustainable, generating a surplus of cash to reinvest in our operations and pay down debt, with EBITDA of £1.7m in 2023/24.

The EBITDA of £1.7m represents a return of approximately 4%; this is a good performance in light of the challenges faced during the year of rising costs, particularly energy, increased staff costs, the challenge of delivering significant growth in 16 to 18 funding when this growth was only partially funded.

What stands out in 2024/25 is the level of investment the College has been able to make in equipment (£5.9m) to support vocational learning and in the purchase of the former Mansfield Brewery to expand teaching capacity.

Borrowing continues to reduce with repayments of £263k in 2023/24, taking bank debt down to £1.2m.

Activity with young people remains our primary activity, with enrolments sufficiently ahead of target to earn additional in-year funding for 16-19; 16 to 18 revenue was up 15% in the year, demonstrating the level of growth. Revenue in 2024/25 has significantly increased due to lagged funding for the increase in 16 to 18 numbers from 2023/24. Demand for 16 to 18 remains high due to demographics and strong demand for vocational courses; the College predicted an additional 350 learners above its funded target for 2024/25 and included an estimate for in-year growth funding from the ESFA. The College has exceeded this target and will be eligible for growth funding in line with the budgeted expectation.

The College overachieved its Adult Education Budget (AEB) by approximately 8%.

Apprenticeship income grew by approximately 20% in-year, with increased numbers in Construction, Building Services and Engineering.

The College has received significant support from the ESFA for capital improvements to its estate, having received a £6.5m grant to be spent by March 2026, which will address many of the backlog maintenance issues.

Cash reduced in the year by £750k mainly due to acquiring the former Mansfield Brewery for £1.1m. The historic build-up of cash reserves from prior years enabled this purchase.

Note: 'Good' financial health is based on an assessment carried out by the Education and Skills Funding Agency (ESFA). The ESFA is the government agency that provides the statutory monitoring of Further Education College Corporations in England.

Resources

879 Employees

285 Teaching Staff

3,454 16-18 Students

1,467 Apprentices

5,247 Adult Learners

The College's student population includes 3,454 16-to-18-year-old students, 1,467 apprentices and 5,247 adult learners on both full-time and part-time courses.

The College has £26.7m (2023/24 £26.8m) of net assets excluding the impact of the defined benefit pension scheme. Historically this has been a liability but, for the first time this year, is a notional surplus of £1,950k which has not been recognised, leaving net assets unchanged. Long-term debts as at 31/07/24 were £1.2m (2022/23: £1.4m).

Tangible resources include the College's five main operational sites, the buildings and equipment of which are valued at £35.1m. Three buildings valued at £4.1m are classified as Investment Property and are currently sublet to Nottingham Trent University.

The College increased its building capacity substantially in 2023/24.

- With support from the Ashfield Towns Fund, the College has increased the floor area within the construction centre at Station Park. This project has also allowed the College to temporarily lease a workshop for increased brick crafts delivery while a new centre is developed in Sutton town centre to permanently increase capacity for construction training and apprenticeships.
- To enable increased 16 to 18 recruitment for 2024/25, the College used its own resources to purchase the former Mansfield Brewery. This has provided accommodation for up to 150 non-teaching staff and enabled significant space at the Derby Road campus to be used for classrooms. A former education centre on the site has been converted into an entry-level construction centre. Additionally, the site has potential for further development.
- The acquisition of the former brewery provided capacity for 350+ learners; using ESFA space calculations, the existing estate was close to full utilisation and could not meet demand for 2024/25. The local area has a significant increase in the number of 16 to 18 years up to 2030/31, with the college likely to see demand rise by a further 10% by this period.

Key Performance Indicators

The College's key performance indicators, are set out below.

Key performance indicator	Actual for 2023/24	Actual for 2022/23
Student number targets: 16-18 full-time	3,454	3,184
Student overall achievement in Education & Training	88.0%	83.7%
English: % improved by 1 or more grade	27.5%	28%
Maths: % improved by 1 or more grade	20.4%	3.7%
Student destinations (% positive)	90.2%	88.5%
Operating surplus/EBITDA as % of income	4.3%	4.8%
Staff survey rating for 'overall satisfaction'	91%	85%
Ofsted rating	GOOD	GOOD
ESFA Financial Health rating	GOOD	GOOD

Development & Performance

Meeting Local Skills Need

The college has a good reputation locally and is represented on the three local place boards of Mansfield, Ashfield and Sherwood. The College works closely with Nottinghamshire and Derbyshire County Councils, and the district councils in Mansfield, Ashfield, Bolsover, Newark and Sherwood. The East Midlands Combined County Authority (EMCCA) has now taken over the skills role of D2N2 LEP. Under the leadership of Mayor Claire Ward, EMCCA will play a key role in aligning economic growth and skills, with devolved adult skills funding from August 2025; and capital investment in skills from April 2024.

The College was part of a consortium of EMCCA-based colleges which is responding to the Local Skills Improvement Plan (LSIP); there have been three priorities within this plan and funds have been made available through the Local Skills Improvement Fund (LSIF) for investment:

- Preparing young people for employment and progression within work;
- Developing skills provision for green-based industries where significant employment growth and the need for new skills are predicted; and
- Enhancing the digital skills of learners and broader communities to enable the uptake of new technology in work and life.

The College plays a full role in developing and meeting local skill needs, and its strategic partnership with Nottingham Trent University continues to develop programmes in health, social work, engineering, and construction.

The College is currently developing its offer through the following partnerships/developments; a selection of developments is highlighted below:

- Ashfield's Advanced Distribution and Manufacturing Centre (ADMC) is developing a £25m centre for implementing automation with the local economy. This is also supported by the opportunity for new distribution and manufacturing sites to be developed on the adjoining development site. The College is working closely with NTU to develop the offer for automation from level 3 to level 7.
- Construction is a key part of the local economy and supported by the Ashfield Towns Fund; the College is expanding its civil engineering and construction provision. Supported by LSIF and former D2N2 funding, there has been a strong focus on new skills related to low carbon, including heat pumps and insulation.
- Working with the ESFA and Mansfield Towns Fund, the College has demolished a former arts building and is developing the £8m Tech Centre, which will focus on STEM subjects. A Levels and part of construction and engineering T-levels will be delivered here.
- Engineering is currently seeing a high demand for apprenticeships and requires further specialist space. The College has secured £500k from the Gene Haas Foundation and is receiving further investment from the ESFA to support the growth of machining apprenticeships. This investment will relocate motor vehicle provision and allow for an expansion of welding, fabrication, machining, and automation provision.
- LSIF investment is supporting the development of motor vehicle courses and updating the training facility to reflect the growth in hybrid and full-electric vehicles.
- The College is part of a consortium working with Step Fusion to develop local skills to support the development of a fusion reactor at West Burton in Nottinghamshire.
- The College continues to develop its partnership with Sherwood Hospital Trust, and all students on the nursing pathway T-level have high-quality work placements within the Trust alongside projects to support the development of the Trust's workforce.
- Finally, the College has embedded Skillsbuilder which helps students understand and develop the skills they need for employment; this has been supported by LSIF.

The College was subject to a full Ofsted inspection in 2023 and was rated **Good** with Outstanding elements.

Development & Performance

Financial objectives

In working towards achieving the objectives focused on improving long term financial health the College:

- met all its banking covenants;
- maintained a Financial Health score of ‘Good’. This has been attained through a positive EBITDA for the year, a strong balance sheet, and continued low levels of borrowing;
- grew the local apprenticeship market and 16 to 18 activity;
- generated an EBITDA of £1.7m with no discontinued operations in year.

The Financial Health score of ‘Good’ has been attained through a positive EBITDA for the year, a strong balance sheet, and continued low levels of borrowing.

Stakeholders of West Nottinghamshire College

- its current, future, and past students
- its staff and their trade unions
- local, regional and national employers
- funding agencies
- banks
- local authorities
- the East Midlands Combined County Authority (EMCCA)
- the FE Commissioner
- the local community
- Members of Parliament

Development & Performance

Financial results

The Group Statement of Comprehensive Income for the financial year reports total comprehensive income of £0.3m (2022/23: £8.6m)

- an actuarial gain of £9.5m in 2022/23 generated a significant movement as the pension fund moved from a liability to potential asset, the College in line with best practice has not recognised the pension fund as an asset as it is not possible to realise the asset. In 2023/24 there has been a small Actuarial loss of £0.2m, but the fund continues to have potentially more assets than liabilities.
- Buildings owned by the College that are let to Nottingham Trent University (NTU) are classified as investment property; this was revalued in-year with an increase of £0.03m taking the total value of investment property to £4.13m.

£42.8m
TOTAL INCOME

£27.3m
STAFF COSTS

The Group generated a surplus before other gains and losses of £0.5m (2022/23: deficit of £1m), with total income of £42.8m, significantly up on 2022/23 (£37.6m), primarily due to £5.5m of additional income from the ESFA relating additional activity and increased grants to fund higher teachers' pension scheme contributions.

Group staff costs in 2023/24 were £27.3m (2022/32: £24.4m); during the year, the ESFA increased 16 to 18-year funding to reflect the 6.5% teachers' wage award and the increased cost of provision in Engineering, Construction, and Computer Science. From April 2024, the College implemented pay awards of at least 6.5% and also introduced market allowances for Construction, Engineering, and Computer Science to support recruitment and retention. The significantly increased cost reflected higher pay and increased activity.

The College's key financial measure is the Education Sector EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation), which provides a good measure of ongoing operational performance. The table below shows EBITDA for the Group.

The sector target is to achieve an Education Sector EBITDA of 8%+ of turnover. The Group generated an EBITDA surplus of £1.7m at 4.1% (2022/23 surplus of £1.8m), all from continuing operations. Although below the 8% sector target, this demonstrates a robust and sustainable performance for the College, which has generated funds for reinvestment in curriculum and the College's estate.

EBITDA	23/24	22/23
	£'000	£'000
Total Comprehensive Income for the year	330	8,628
add back:		
Depreciation & Impairment (note 12)	3,210	2,495
Interest paid (note 10)	56	67
FRS 102 pension interest (note 10)	-	283
FRS 102 Service Cost (note 25)	(105)	486
increase in Holiday Pay provision	(50)	170
less:		
Release of deferred capital grant (note 2)	(1,443)	(723)
Donation income	(266)	-
Profit on disposal of assets	(5)	(5)
FRS102 Actuarial gain in respect of pensions schemes (note 25)	227	(9,519)
Interest received (note 6)	(178)	(7)
Revaluation of investment properties	(30)	(100)
Education Sector EBITDA	**1,746**	**1,775**
	4.1%	**4.7%**

Development & Performance

Cash and Debt

The Group has cash balances of £3.4m (2022/23: £4.2m). The reduction is mainly due to the acquisition of the former Mansfield Brewery in May 2024, which has provided additional capacity to support growth in the 16 to 18 provision. The College is seeking to maintain its cash balance as of 31 July in the range of £2.5m-£3.0m. Cash flow varies across the year, although this variability has been mitigated somewhat from 2022/23 going forward due to the ESFA's decision to smooth the profile of Allocation payment, which has prevented cash flow challenges in March and April.

The College foresees no issue in maintaining the minimum £2.0m cash balance required by bank covenants in future years. The Group has short-term loans due within one year of £0.3m (2022/23: £0.3m). Long-term loans of £0.9m (2022/23: £1.2m) are for a facility up to May 2028. All ESFA liabilities recognised in Accruals and Deferred Income relate to 2023/24 or future periods.

Staff Engagement

Staff engagement and morale are good, with responses to the annual staff survey in 2024 showing high levels of satisfaction in key areas. Staff have also been actively involved in the development of the strategic plan, business improvement projects and the self-assessment process.

Group Companies

The College has one live subsidiary company, Vision Business Support Services (VBSS) Ltd. which traded throughout the year; its sole purpose is to employ staff that provide support services to the College.

Surpluses generated by the trading subsidiaries are transferred to the College under a deed of covenant to the extent that this does not result in a distribution of reserves. In the current year, VBSS was operated on a breakeven basis and, therefore, did not generate a surplus (2022/23: £nil).

The College also wholly owns bksb India Private Limited, which ceased trading in April 2022; after a period of dormancy the College are planning to close and strike off this business in accordance with Indian regulations. The business is not of significant materiality and has not been consolidated within these financial statements.

Reserves

The Group's total unrestricted reserves marginally improved in 2023/24 to £26.7m (2022/23: -£26.6m). Accumulated Income and Expenditure reserves are £23.3m (2022/23: £23.1m). The college has recognised £267k of restricted reserves, which reflects a donation to be spent on the College's hospitality provision and £250k from the Gene Haas Foundation to develop Engineering facilities. These restricted reserves will be released when the conditions have been met.

Developments

Tangible fixed asset additions during the year amounted to £9.4m (2022/23: £2.8m). This represents a significant investment in the College's assets. The building acquisitions included the £1.1m purchase of the former Mansfield Brewery. £5.9m of equipment purchases was heavily supported by grants for T Levels, LSIF, and Ashfield Towns Fund, Green Skills investment as part of Devolution for EMCCA. £2.1m of assets under construction represents the new build of the Tech Centre on the former Ashfield House site in Mansfield, which is jointly funded by the ESFA and Mansfield Towns Fund.

Marketing and Learner Engagement

- The College's market share for year 11 school leavers within Ashfield and Mansfield remain strong.
- The College is on track in 2024/25 to meet its 16 to 18 funding target of 3,780 learners.

Sources of Income

The College significantly relies on the education sector funding bodies for its principal funding source, mainly from recurrent grants. In 2023/24, the FE funding bodies provided 89% (2022/23: 89%) of the Group's total income.
The College's subsidiary, Vision Business Support Services, solely provides all its services to West Nottinghamshire College.

Development & Performance

Student Achievements

Overall achievement of students of any age and all classroom-based courses was 88%, which is 3.8% above the national rate and an increase of 3% on the previous year.

Taking all qualifications studied by learners into account, the overall achievement of learners aged 16-18 was 89%, which is 7.6% above the most recent national rate of 81.4% and 3% better than the previous year.

While the overall achievement of adults, at 84%, was below the most recent national rate of 86.8%, this was an improvement of 2% on the previous year.

Most learners with high needs, EHCPs and/or LLDD continued to participate in high-quality and individually tailored learning programmes with good teaching and support that enabled them to make swift progress from their starting points. Learners in receipt of free meals succeed better than their peers (pass rate + 0.3%). While learners of BAME origin stayed in learning as well as their peers, fewer achieved their qualifications (BAME -7%). Fewer apprentices with LLDD stayed in learning and achieved their apprenticeship, in comparison to their peers. The gender gap has widened slightly by (1%) and is now 3% in favour of males for classroom-based learning but, for apprentices, the gender gap is significantly wider in favour of females (9.5%). The dedicated focus to improve the achievement and prospects of young people with experience of local authority care is paying off: the achievement gap between this priority group and their peers has more than halved since 2018/19 from 16% to 6%. However, there is still more work to do to reduce this gap that has remained over the last few years.

A-Level performance shows some improvement on the previous year but still falls below leaders' expectations. As a result of the 97% pass rate, only a small proportion of A-Level learners achieved A*-B (21.9% in comparison to 17.3% +4.6 in 2022/23). For A*-C attainment, there was an improvement in ten subjects but a decline in five, with two subjects staying the same in comparison to 2022/23.

There have been some good improvements in the quality of apprenticeships provision, but not enough apprentices stayed in learning and achieved within the set deadlines. The all ages overall achievement rate is at 53.4%. This is 0.2% below the most recent national rate; and 3.9% better than the previous year. Since the introduction of Apprenticeship Standards, 94.9% of apprentices following these programmes passed their EPA (Endpoint Assessment) with 39.5% gaining high-grade achievement. The 'actual destinations' evidences that most apprentices who left their training with the College continued in employment and just under a third gained an enhanced role or promotion.

The continued investment and changes to the English and maths curriculum continued to improve the quality of teaching and learning. It is important to note it was widely reported that resit learners' results were more variable. A total of 16.6% learners (all ages) who studied GCSE English courses achieved a grade 4 or better in 2023/24, which is 4.1% lower than the previous year. Nationally, grade 4 and above achievement for resit learners was down, at 20.9% (5% lower than the previous year). While just under a third of all learners improved their grades (27.5%, all ages), there is further improvement to be made. A total of 18.3% of learners (all ages) improved their grades by one: this has improved very slightly (0.8%) in comparison the previous year. A total of 9.2% of learners (all ages) improved their grades by two or more, a 1.9% decrease in comparison to the previous year. As highlighted earlier, the performance of GCSE English has been impacted by the awarding organisation taking the decision to significantly increase the grade 4 boundary. In 2023/24, 11.3% of learners (all ages) studying GCSE Maths achieved a grade 4 or above, which is an increase of 3.3% in comparison to last year. Nationally, grade 4 achievement by resit learners was up at 17.4% (1% increase on previous). Only 9.8% of learners aged 16-18 secured a grade 4 or better, but this is a 4.4% increase on previous year. There is more improvement to be made because only 20.4% of learners (all ages) improved their grade, although this is an improvement of 4.1% in comparison to the previous year. A total of 15.7% of learners (all ages) improved their grades by one, compared to 12.6% in 2022/23, and 4.7% of learners (all ages) improved their grades by two or more, compared to 3.7% in 2023/24.

Future Prospects

Future Development

The College has worked with D2N2 LEP and Local Authorities to develop the local skills offer. In May 2024, the East Midlands Combined County Authority (EMCCA), led by Mayor Claire Ward, took over the remit for skills and economic development. EMCCA will be responsible for adult skills funding and will have capital funding to invest in skills. The College continues to seek to play a key role in developing local skills provision. The key priorities that the College is seeking to meet are:

- Further developing provision for Engineering and Automation
- Responding to the significant need for staff within the local Health and Social Care sector
- Continue to grow Construction provision, including meeting changing needs due to the move to low-carbon developments in housing and new builds
- Supporting initiatives to reduce inactivity within the local area, supporting individuals to progress to well-paid work
- Ensuring our curriculum delivery prepares young people for work
- Working in partnership with Nottingham Trent University to develop the skills offer at level 3 to level 7

Financial Plan

During 2023/24 the College consolidated its financial position which ensured its Financial Health remained 'Good' for the duration of the reporting period whilst achieving growth and investing in equipment and buildings to support future growth.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Treasury policies and objectives

Treasury management is the management of the College's cash flows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate treasury management policy in place. As at 31 July 2024 the College had £1m cash placed in a 32-day deposit account earning interest at a favourable rate.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash flows and liquidity

Group cash inflows from operating activities of £4.5m in 2023/24 (2022/23: £4.1 inflow) supported the investments in year.

As of 31 July 2024, the College had an outstanding debt of £1.1m over a 4-year term (2022/23: £1.4m). There is currently no revolving credit facility (RCF) agreement in place with Lloyds to facilitate short-term borrowing and nor is there an expectation that one will be required in 2024/25.

Principal Risks and Uncertainties

The Governing Body considers the risk management strategy on an annual basis and regularly receives and reviews the strategic high-level risk register both at the Audit Committee and the Board.

In September 2023 and September 2024, the Board considered the College's Risk Management Strategy and approved the key strategic risks presented by the Executive. The Board reviews the strategy on an annual basis so that the approach to identifying and managing risk is appropriate to the College's operating climate.

Risk Management

The Corporation Board has responsibility for overseeing risk management within the College as a whole

The Corporation Board adopts an open and receptive approach to solving risk problems

The principal and the senior management team support, advise and implement policies approved by the Corporation Board

The College makes prudent recognition and disclosure of the implications of risks

Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area

Key risk indicators will be identified and closely monitored

In approaching risk management in a planned and systematic approach, the Board will ensure that processes for the identification, assessment and mitigation of the risks which could hinder the achievement of strategic objectives are effective. Good risk management facilitates rather than hinders innovation across the College. It involves the following main steps:

- Assessing the College’s risk appetite
- Identifying the key strategic risks that would prevent the achievement of objectives
- Assigning ownership at Executive and Corporation Board level
- Evaluating the significance of each risk
- Identifying suitable responses to each risk
- Ensuring the internal control system helps manage the risks
- Developing the assurance mechanism to the Corporation Board
- Regular reviews through the Executive and the Audit Committee

To assess the adequacy and effectiveness of the approach to risk management, the College will consider several critical success factors:

- Senior management support in leading on risk management.
- The organisational culture supports well thought out risk-taking and innovation.
- The management of risk is fully embedded in management processes and consistently applied.
- The management of risk is closely linked to the achievement of objectives.
- Risks associated with working with other organisations are assessed and managed; and
- Risks are actively monitored and regularly reviewed.

Outlined below are the Key Strategic Risks identified by the Executive and approved by the Corporation Board, which have been highlighted as the most significant in meeting the College challenges for the coming year. Not all the factors are within the College’s control. Other factors besides those listed below may also adversely affect the College.

- Maintaining staffing in a competitive market;
- Responding to high levels of growth in Apprenticeships, 16 to 18 provision and Adult Learning; and
- Meeting increased costs of services and staff.

Other Information

Public Benefit

West Nottinghamshire College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education.

The members of the Governing Body, who are trustees of the charity, are disclosed on page 19. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to students and apprentices, including those with high needs. In addition to funds provided by the Government, the College uses its funds to support young people accessing and remaining in education.

Numerous local groups use the College's buildings in areas such as sport and the arts; the student population are actively engaged in raising funds for local charities and national charities such as Children in Need.

Equality

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

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010. The most recent Ofsted report in 2023 identified the promotion of equality and diversity and British values to be a vital strength of the College.

The College is a 'Disability Confident' employer and has committed to the principles and objectives of the standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. 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, as far as possible, provide equal opportunities to those of non-disabled employees. The College has also implemented an Equality & Diversity training programme which staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

Disability Statement

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

a. To ensure access to provision for people with disabilities.

b. There is a list of specialist equipment, which the College can make available for use by learners.

c. The College has made a significant investment in the appointment of specialist lecturers to support learners with learning difficulties and disabilities. There are several learner support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for learners who have learning difficulties and/or disabilities.

d. Specialists' programmes are described in programme information guides while achievements and destinations are recorded and published in the standard College format; and

e. Provides a range of counselling and welfare services to support students.

Other Information

Trade Union Facility Time

	Period 01 Aug 23 – 31 Jul 24
Number of employees who were trade union representatives during the relevant period:	**7 (Headcount)** **6.1 (FTE)**
Percentage of working hours spent on facility time:	
0%	
1-50%	**7.2**
51-99%	
100%	
Total cost of facility time:	**£18,682**
Total pay bill:	**£271,952**
Percentage of total bills spent on facility time:	**0.07%**
Time spent on paid trade union activities as a percentage of total paid facility time:	**6.87%**

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of an agreement to the contrary, requires organisations to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2023 to 31 July 2024, the college met that target other than explicit exceptions such as invoice disputes. The College incurred no interest charges in respect of late payment for this period.

Disclosure of Information to the Auditor

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditor 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 auditor are aware of that information.

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

Kate Truscott

Kate Truscott

Chair of the Corporation

Statement of Corporate Governance & 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
iii. having due regard to the UK Corporate Governance Code 2018 insofar as it applies to the further education sector.

The Corporation is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Corporation has adopted and complied with the College's code. The UK Corporate Governance Code 2018 has not been adopted; however, the Group's Corporate Governance arrangements have been reported on by drawing upon best practice available, including those aspects we consider to be relevant to the further education sector and best practice.

In the opinion of the governors, the College complies with all the provisions of ''the Code'', and it has complied throughout the year ended 31 July 2024.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 17 September 2015.

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

The Corporation

The College's Governors and attendance at Committees is as follows:

Governors serving on the college board to 31st August 2024 (and attendance 2023/2024 period)

Name of Governor	Date of Appointment / Re-appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance during 2023/2024 only*	
						Committee	Board
Andrew Cropley	11.06.2018	Principal & CEO		Principal & CEO	FE ST WFD	100% 100% 67%	100%
Andrew Spencer	15.10.2020	4 years Current term ends on 15.10.2024		Staff member (support)	ST WFD	80% 50%	80%
John Winfield	01.03.2022	4 years Current term ends on 01.03.2026	25.08.2023	Staff member (academic)	ST	-	-
Scott Smith	19.10.2023	4 years Current term ends on 19.10.2027		Staff member (academic)	ST	20%	100%
Neil McDonald	25.10.2018 25.10.2022*	4 years Current term ends on 25.10.2026		Independent member	A (Chair) SPG	100% 67%	100%
Kate Truscott	25.10.2018 25.10.2022*	4 years Current term ends on 25.10.2026		Independent member Vice chair, Corp. Board (Chair from February 2024)	WFD (Chair until Jan 24) SPG	100% 67%	80%
Sean Lyons	31.01.2019 31.01.2023*	1 year as chair Current term ends on 31.01.2024	31.01.2024	Chair, Corp. Board	SPG	100%	100%
Spencer Moore	01.08.2019 01.08.2023*	1 year Current term ends on 01.08.2024	01.08.2024	Independent member	ST	80%	40%
Charles Heaton	01.08.2019 01.08.2023*	4 years Current term ends on 31.12.2023	31.12.2023	Independent member	FE (Chair) SPG	100% 100%	100%
Charles Heaton (reappointed)	08.02.2024	4 years Current term ends on 08.02.2028		Independent member	WFD SPG	100% 100%	100%
David Gillies	15.10.2020	4 years Current term ends on 15.10.2024		Independent member	WFD ST	0% 20%	40%
Keith Spiers	15.10.2020	4 years Current term ends on 15.10.2024		Independent Member	-	n/a	60%
Angela Newton-Soanes	20.05.2021	4 years Current term ends on 20.05.2025	14.11.2023	Independent member	ST (Chair) SPG	0% 0%	0%
Ben Owen	15.07.2021	4 years Current term ends on 15.07.2025		Independent member	ST (Chair from Nov 23) SPG	100% 50%	60%
Jane Peacock	10.02.2022	4 years Current term ends on 10.02.2026		Independent member	ST	100%	80%
Alison Griffiths	14.07.2022	4 years Current term ends on 14.07.2026		Independent member	A	75%	80%
Paul Wheeler	26.10.2022	4 years Current term ends on 26.10.2026		Independent member	FE	100%	75%
David Ainsworth	26.10.2022	4 years Current term ends on 26.10.2026	26.02.2024	Independent member	FE (Vice-Chair from Jan 2024)	67%	100%
Theresa Hodgkinson	14.07.2023	4 years Current term ends on 14.07.2027		Independent member	A	50%	100%
Edward Rawson	14.07.2023	4 years Current term ends on 14.07.2027		Independent member	FE (Chair from Jan 24) SPG	100% 0%	100%
Vacancy							
Vacancy							
Vacancy							
Ann Treacy	15.10.2020	4 years Current term ends on 14.10.2024	27.11.2023	Audit co-optee	A	0%	n/a
Corey Spencer	21.10.2022	2 years Current term ends on 21.10.2024		WFD co-optee	WFD	100%	n/a
Helen Wilcockson	26.06.2019 26.06.2023*	4 years Current term ends on 26.06.2027		WFD staff co-optee	WFD	33%	n/a
Ella Brookes	26.06.2019 26.06.2023*	4 years Current term ends on 26.06.2027		WFD staff co-optee	WFD	100%	n/a
Mick Martin	18.09.2023	4 years Current term ends on 18.09.2027		WFD staff co-optee	WFD	100%	n/a
Amaya Waddingham	19.10.2023	1 academic year Current term ends on 31.07.2024		Student governor	n/a – SC observer only	n/a	80%
Morgan Williams	19.10.2023	1 academic year Current term ends on 31.07.2024		Student governor	n/a – SC observer only	n/a	60%

Eloise Hopkinson acts as Clerk to the Corporation
* denotes re-appointment
SPG = Senior Postholder & Governance; FE = Finance and Estates; A = Audit; ST = Standards; WFD = Workforce Development

*Note that these percentages take into account authorised absences. Actual attendance details are broken down within the Attendance Schedule document.

Notwithstanding the comments made above, it is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-relates matters such as health and safety and environmental issues. The Corporation Board and Finance and Estates Committee meet twice per term to ensure regular oversight and scrutiny.

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

- Finance and Estates;
- Standards;
- Senior Postholder and Governance;
- Workforce Development; and
- Audit

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

West Nottinghamshire College
Derby Road
Mansfield
Nottinghamshire
NG18 5BH

The Governance Framework

The clerk to the Corporation maintains a register of financial and personal interests of the governors and members of the executive. The register is available for inspection at the above address.

All governors can take independent professional advice in furtherance of their duties at the College's expense and have access to the clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the clerk are matters for the Corporation on the advice of the Senior Postholder and Governance Committee, whose membership comprises of the board and committee chairs.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided on an ad hoc basis.

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

There is a clear division of responsibility in that the roles of the Chairman 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, on the advice of an agreed selection panel who conduct interviews. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years and may remain in post for a maximum of two consecutive terms, unless exceptional circumstances are identified by the Board in their search for appropriate skills and experience.

Corporation Performance

The Corporation undertakes self-assessment annually. The year-end self-assessment process included an individual review of its own performance by each committee, the completion of questionnaires, governor 1:1s with the Chairman, and an appraisal of the Chairman's performance. Every governor participated in the process.

The college commissioned Ian Ashman as an external advisor to complete an external governance review in the autumn term of 2023, with an internal review conducted in the early summer of 2024 and reported to the board in July. Both reviews gave good assurance and led to a number of actions and suggestions for further improvement which have been noted and are being actioned/implemented. Appropriate deadlines for all of these actions are in place and good progress is being made.

Senior Postholders and Governance Committee

Throughout the year ending 31 July 2024, the College's Senior Postholder and Governance Committee comprised five members of the Corporation; these were the committee chairs and the Chair of the board. The Committee's responsibilities are to make recommendations to the Board on the objectives, performance and remuneration and benefits of the Accounting Officer and other senior postholders and the clerk to the Corporation.

Details of remuneration for the year ended 31 July 2024 are set out in Note 8 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates under written terms of reference approved by the Corporation.

The Audit Committee met five times in 2023/24, and attendance is provided in the table on p18. The Committee provides a forum for reporting by the College's internal auditor, reporting accountants and financial statements auditor, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. The audit committee agree the scope of fieldwork planned before activity commences.

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

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

Finance and Estates Committee

The Finance and Estates (F&E) Committee comprises up to seven members appointed by the Corporation, including the Principal and Chief Executive. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Committee provides a forum for consideration of monthly management accounts, the Financial Recovery Plan, financial and estates risks, strategic matters, including strategic plans, joint ventures, financial matters including the year-end accounts and subcontracting activity and estates matters including the property strategy, IT strategy and capital expenditure.

Workforce Development Committee

The Workforce Development Committee (WDC) operates in accordance with written terms of reference approved by the Corporation. Membership is up to nine members, including the principal and chief executive and three co-opted members of staff. The committee meets on at least a termly basis and reviews and advises the board on a range of workforce development matters. The committee operates to an agreed work plan.

Standards Committee

The Standards committee comprises seven members. The committee operates in accordance with written terms of reference approved by the Corporation. The committee meets on at least a termly basis and reviews and advises the Board on outcomes, curriculum performance, the SAR, the SED, Teaching, Learning and Assessment, subcontracting performance and curriculum strategy and planning.

Internal Control

Scope of responsibility

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

The Corporation 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 were personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between West Nottinghamshire College and the funding bodies. They were also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

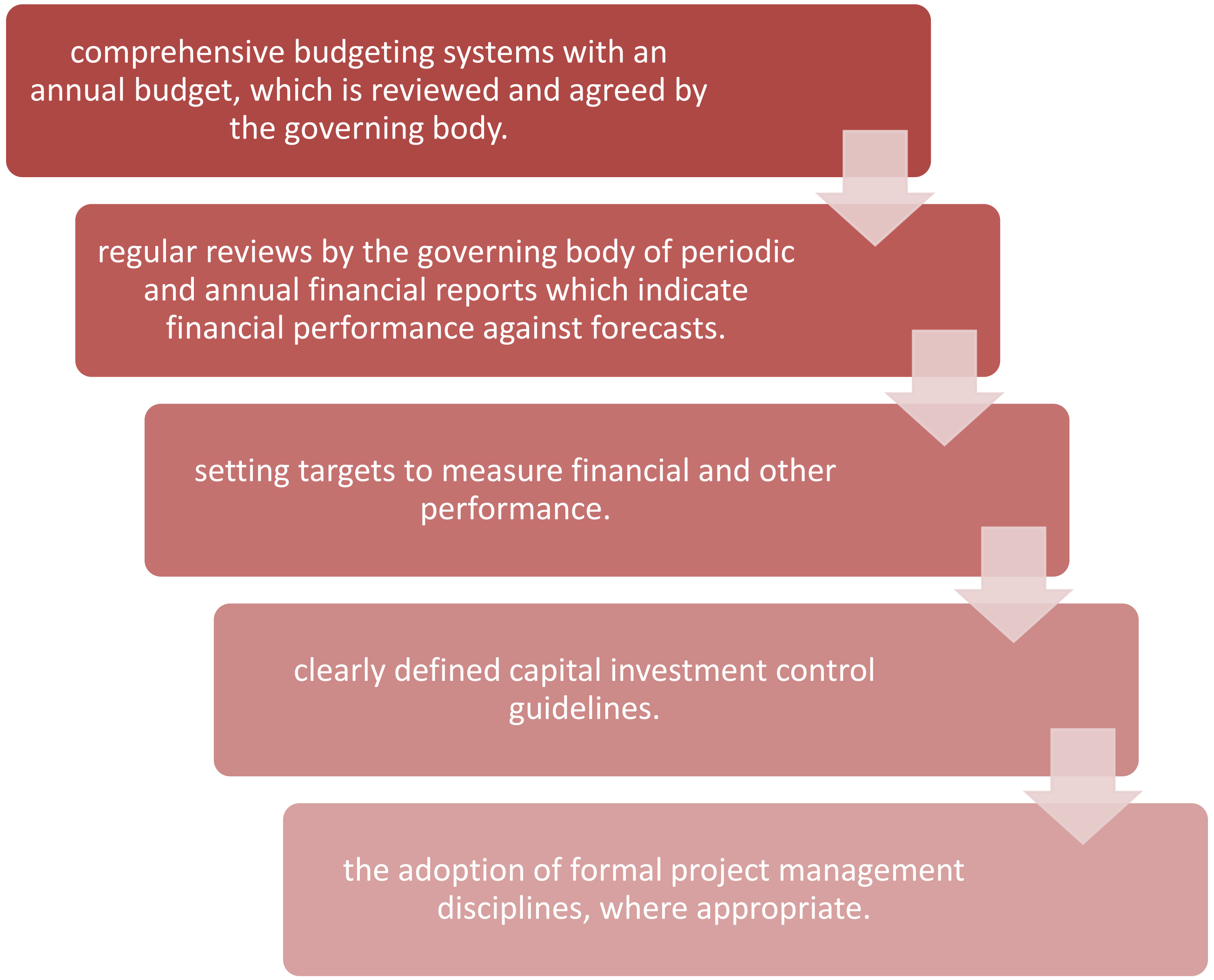
No control failure occurred during the year ended 31 July 2024 and up to the date of approval of the Strategic Report and accounts.

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. The Corporation is of the view that the ongoing process for identifying, evaluating and managing the College's significant risks for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts, was effective. This is evidenced by the significant improvement to the Colleges underlying performance and resolution of historical issues regarding funding.

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. It includes:



West Nottinghamshire 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 committee. As a minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls, and governance processes.

Statement from the Audit Committee

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

In 2023/24 and up to the date of the approval of the financial statements the Audit Committee considered the following Internal Audit reviews:

Review	Final report date	Overall assurance level
Student Records (AEB)	17/04/24	Adequate
Budgetary Controls	23/04/24	Substantial
Performance Management	23/05/24	Substantial
HR Health Check	25/05/24	Substantial
Capital Projects	03/09/24	Substantial
Curriculum Planning	29/08/24	Substantial
IT Cyber	20/05/24	Substantial
Business Continuity	20/05/24	Substantial
Follow-Up 2023/24	19/05/24	Substantial

The Internal Auditor's Annual Report of 2023/24 provided the following to the Audit Committee which formed key part of their conclusion on controls.

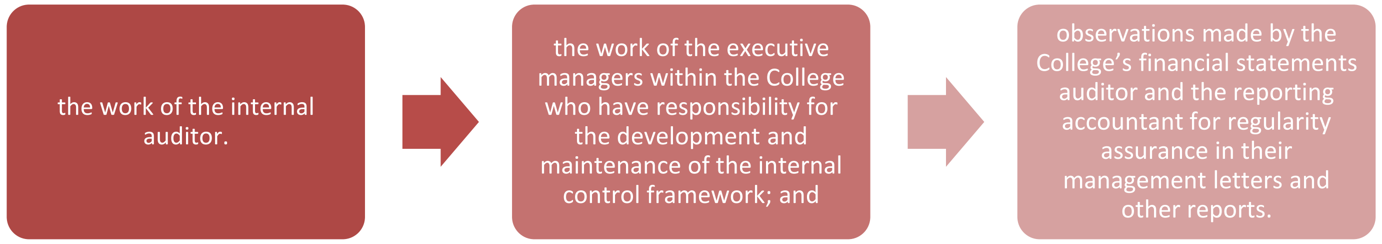
''Based on the work performed we offer our conclusion as to the adequacy and effectiveness (or inadequacy and ineffectiveness) of the College's risk management, control, and governance processes. Overall, in our opinion, based upon the reviews performed during the year, the West Nottinghamshire College:

- ✓ *has adequate and effective risk management.*
- ✓ *has adequate and effective governance; and*
- ✓ *has adequate and effective control processes.''*

The External Auditor identified no control issues during the 2023/24 audit.

Review of Effectiveness

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



The Accounting Officer has been advised on the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance. The Audit Committee concluded that the system of internal control for the year ended 31 July 2024 was effective. Action to address any weaknesses in the control environment has made substantial progress in the year.

The Executive team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

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.

Going concern

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

The Group has recorded a surplus before other gains and losses of £0.5m for the year ended 31 July 2024. The Group had net current liabilities of £0.3m at the balance sheet date; creditors include £4.2m of deferred ESFA capital grants.

The Group has maintained a strong balance sheet with a favourable current ratio and low levels of borrowing. The College holds sufficient cash to meet to ongoing trading and will incrementally build up cash after the purchase of a new site for £1.1m. Exceptionally strong recruitment of learners in October 2024 will help secure income for future years. Robust budget management and modelling against the ESFA's Financial Health criteria and bank covenants have resulted in a 2024/25 budget that will build cash reserves through a projected EBITDA of £1.8m. Increased national insurance and minimum wage costs will impact profitability from April 2025. The College believes this will be offset by increased income from the strong recruitment and partial funding of additional NI costs for public sector employers. This will has ensured the College retains its financial health rating of **GOOD** for the year ahead.

Based on the financial forecast for 2024/25 to 2025/26, which indicates that operations will be cash generative, the College will be able to maintain its covenants through to July 2025.

Based on the information available, the Corporation believes it is appropriate to prepare the financial statements on a going concern basis.

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

Kate Truscott

Kate Truscott — **Chair of the Corporation**

Andrew Cropley — **Accounting Officer**

Statement of Regularity, Propriety & 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 noncompliance, 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.

Andrew Cropley

Accounting Officer

19 December 2024

Statement of the chair of governors

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

Kate Truscott

Chair of Governors

19 December 2024

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

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

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

Kate Truscott - Chair of the Corporation

REQUIREMENTS OF THE CORPORATION IN PREPARING FINANCIAL STATEMENTS

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

Independent Auditor's Report to the Corporation of West Nottinghamshire College

Opinion

We have audited the financial statements of West Nottinghamshire College (the 'College') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, the financial statements:

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

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

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

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 there is 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

In light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Members of the Corporation and statement of corporate governance and internal control.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 25, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Corporation of West Nottinghamshire College

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

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

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

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

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

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

Use of the Audit Report

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

Forvis Mazars LLP
Forvis Mazars LLP (Dec 20, 2024 15:37 GMT)

Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House, 58 The Ropewalk
Nottingham, NG1 5DW

Independent Reporting Accountant's Report on Regularity to the Corporation of WNC & the Secretary of State for Education acting through the Education & Skills Funding Agency

To: The corporation of West Nottinghamshire College and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")

In accordance with the terms of our engagement letter dated June 2024 and further to the requirements and conditions of funding in ESFA and DfE's accountability agreements, 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 West Nottinghamshire College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of West Nottinghamshire College and the reporting accountant

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

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

Approach

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the accountability agreements, grant funding agreements and contracts with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year.
- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with the requirements of HM Treasury's "Managing Public Money" document.

Conclusion

In the course of our work, except for the matters listed below, 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 that the financial transactions do not conform to the authorities that govern them.

Forvis Mazars LLP
Forvis Mazars LLP (Dec 20, 2024 15:37 GMT)

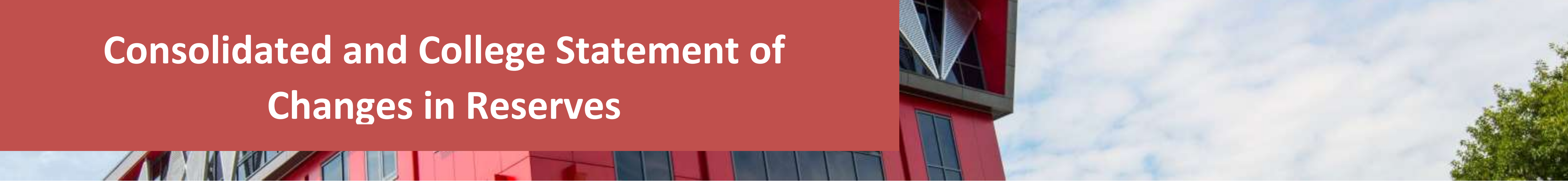
Signed: Forvis Mazars LLP

Date:

Consolidated and College Statements of Comprehensive Income & Expenditure

	Notes	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	2	38,005	38,005	33,585	33,585
Tuition fees and education contracts	3	1,684	1,684	1,449	1,449
Other grants and contracts	4	523	523	365	365
Other income	5	2,191	2,188	2,172	2,168
Endowment and investment income	6	178	178	7	7
Donations and Endowments	7	267	267	-	-
Total Income		**42,848**	**42,845**	**37,578**	**37,574**
EXPENDITURE					
Staff costs	8	27,253	27,253	24,434	24,434
Fundamental restricting costs	8	31	31	9	9
Other operating expenses	9	11,774	11,771	11,286	11,282
Depreciation	12	3,210	3,210	2,495	2,495
Interest and other finance costs	10	58	58	350	350
Total Expenditure		**42,326**	**42,323**	**38,574**	**38,570**
(Deficit)/Surplus before other gains and losses		**522**	**522**	**(996)**	**(996)**
Profit on disposal of assets	12	5	5	5	5
Revaluation of investment properties	14	30	30	100	100
(Deficit)/Surplus before tax		**557**	**557**	**(891)**	**(891)**
Taxation	11	-	-	-	-
(Deficit)/Surplus for the year		**557**	**557**	**(891)**	**(891)**
Unrealised surplus on revaluation of assets					
Actuarial gain/(loss) in respect of pensions schemes		(227)	(227)	9,519	9,519
Total Comprehensive Income for the year		330	330	8,628	8,628

All items of income and expenditure relate to continuing activities.



Consolidated and College Statement of Changes in Reserves

Year ended 31 July 2024	Income and expenditure account £'000	Revaluation reserve £'000	Donation Restricted reserve £'000	Total £'000
Group				
Balance at 31 July 2022	**14,303**	**3,735**	**-**	**18,038**
Deficit from the income and expenditure account	(891)	-	-	(891)
Other comprehensive gain	9,519	-	-	9,519
Transfers between revaluation and income and expenditure reserves	147	(147)	-	-
Total comprehensive income for the year	8,775	(147)	-	8,628
Balance at 31 July 2023	**23,078**	**3,588**	**-**	**26,666**
Surplus from the income and expenditure account	557	-	-	557
Other comprehensive loss	(227)	-	-	(227)
Transfers between revaluation and income and expenditure reserves	147	(147)	-	-
Transfers between donations reserve and income and expenditure reserves	(267)	-	267	-
Total comprehensive income for the year	210	(147)	267	330
Balance at 31 July 2024	23,288	3,441	267	26,996
College				
Balance at 31 July 2022	**14,303**	**3,735**	**-**	**18,038**
Deficit from the income and expenditure account	(891)	-	-	(891)
Other comprehensive gain	9,519	-	-	9,519
Transfers between revaluation and income and expenditure reserves	147	(147)	-	-
Total comprehensive income for the year	8,775	(147)	-	8,628
Balance at 31 July 2023	**23,078**	**3,588**	**-**	**26,666**
Surplus from the income and expenditure account	557	-	-	557
Other comprehensive loss	(227)	-	-	(227)
Transfers between revaluation and income and expenditure reserves	147	(147)	-	-
Transfers between donations reserve and income and expenditure reserves	(267)		267	-
Total comprehensive income for the year	210	(147)	267	330
Balance at 31 July 2024	23,288	3,441	267	26,996

Consolidated and College Balance Sheets

Year Ended 31 July	Notes	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Non-current assets					
Tangible assets	12	41,218	41,218	35,074	35,074
Investments	13	-	-	-	-
Investment property	14	4,130	4,130	4,100	4,100
Total Non-Current Assets		**45,348**	**45,348**	**39,174**	**39,174**
Current assets					
Stocks		17	17	13	13
Trade and other receivables	15	3,896	3,907	2,046	2,056
Investments					
Cash and cash equivalents	20	3,428	3,242	4,189	4,185
Total Current Assets		**7,341**	**7,166**	**6,248**	**6,254**
Less: Creditors – amounts falling due within one year	16	(7,608)	(7,443)	(6,393)	(6,399)
Net current (liabilities)		**(267)**	**(267)**	**(145)**	**(145)**
Total assets less current liabilities		**45,081**	**45,081**	**39,029**	**39,029**
Creditors – amounts falling due after more than one year	17	(17,417)	(17,417)	(11,628)	(11,628)
Provisions					
Defined benefit obligations	19	-	-	-	-
Other provisions	19	(668)	(668)	(735)	(735)
Total net assets/(liabilities)		**26,996**	**26,996**	**26,666**	**26,666**
Unrestricted Reserves					
Income and expenditure account		23,288	23,288	23,078	23,078
Revaluation reserve		3,441	3,441	3,588	3,588
Donations restricted reserve		267	267		
Total unrestricted reserves		**26,996**	**26,996**	**26,666**	**26,666**

The financial statements on pages 30 to 46 were approved and authorised for issue by the Corporation on 19 December 2024 and were signed on its behalf on that date by:

Kate Truscott
Chair of Governors

Andrew Cropley
Accounting Officer

Consolidated Statement of Cash Flows

YEAR ENDED 31 JULY	Notes	2024 £'000	2023 £'000
Cash flow from operating activities			
(Deficit)/Surplus for the year		557	(891)
Adjustment for non-cash items:			
Depreciation	CIES	3,210	2,495
(Increase)/Decrease in stocks	BS	(4)	2
(Increase) in debtors	BS	(1,850)	(246)
Increase in creditors due within one year	BS	1,218	1,855
Increase in creditors due after one year	BS	1,885	271
(Decrease) in provisions	19	(67)	(66)
Pensions costs less contributions payable	25	(227)	769
Revaluation of investment properties		(30)	(100)
Taxation	CIES	-	-
Adjustment for investing or financing activities			
Investment income	CIES	(178)	(7)
Interest payable		56	67
(Gain) on sale of fixed assets	CIES	(5)	(5)
Net cash flow from operating activities		**4,565**	**4,144**
Cash flows from investing activities			
Proceeds from sale of fixed assets		5	5
Investment income	CIES	178	7
Deferred capital grants received	CIES	4,162	983
Payments made to acquire fixed assets	12	(9,354)	(2,793)
Net cash flow from investing activities		**(5,009)**	**(1,798)**
Cash flows from financing activities			
Interest paid		(56)	(67)
Interest element of finance lease rental payments		(2)	-
Repayments of amounts borrowed – Bank		(263)	(252)
Capital element of finance lease rental payments		4	-
Net cash flow from financing activities		**(317)**	**(319)**
Increase/(Decrease) in cash and cash equivalents in the year		(761)	2,027
Cash and cash equivalents at beginning of the year	**20**	**4,189**	**2,162**
Cash and cash equivalents at end of the year	**20**	**3,428**	**4,189**

Notes to the Accounts

1. 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.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention as modified using previous valuations as deemed cost at transition for certain non-current assets.

Basis of Consolidation

The consolidated financial statements include the College and its subsidiary Vision Business Support Services Limited controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. The College also wholly owns BKSB India Private Limited, which ceased trading in April 2021; after a period of dormancy the College are planning to close and strike off this business. The business is not of significant materiality and has not been consolidated within these financial statements.

Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the students' union have been consolidated because the College exercises control over those activities. All 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 Strategic Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The Group has recorded a surplus before other gains and losses of £0.5m for the year ended 31 July 2024. In the 2024/25 academic year the forecasts for revenue have reflected in-year funding awards for 16-18 and Adult Skills but a reduction in apprenticeship volumes. The Group had net current liabilities of £0.3m at the balance sheet date; creditors include £4.1m of deferred ESFA capital grants.

The Group has maintained a strong balance sheet with a favourable current ratio and low levels of borrowing. The College holds sufficient cash to meet to ongoing trading and will incrementally build up cash. Robust budget management and modelling against the ESFA's Financial Health criteria and bank covenants have resulted in a 2024/25 budget that effectively mitigates current inflationary pressures in staff pay and operating overheads. This will has ensured the College retains its financial health rating of GOOD for the year ahead.

Based on the financial forecast for 2024/25 to 25/26, which indicates that operations will be cash generative, the College will be able to maintain its covenants through to July 2025.

Based on the information available, the Corporation believes it is appropriate to prepare the financial statements on a going concern basis.

Recognition of Income

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

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

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

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

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

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

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

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. The Group also has a defined contribution scheme.

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 substantial 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.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

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

Short-Term Employment Benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. The provision created to service this cost is considered sufficient for all future charges and no further adjustments are judged to be required.

Non-Current Assets - Tangible Fixed Assets

Tangible fixed assets are stated at cost/deemed cost (including irrecoverable VAT and costs incurred for installation and commissioning) less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and Buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

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

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

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

Land is not depreciated.

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, at which point they are transferred to the relevant Fixed Asset group.

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 purchased in a batch exceeding £5,000 order value is capitalised at cost.

Equipment costing less than £2,000 per individual item is recognised as an expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- technical equipment 5 years
- motor vehicles 5 years
- computer equipment 3 years
- furniture, fixtures and fittings 5 years

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. The carrying value of two College sites has been impaired at year-end.

Investment Property

Investment properties are measured at fair value annually and any changes to the value goes through the Statement of Comprehensive Income and Expenditure.

Borrowing Costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. 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 1st 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 intangible 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.

Other Investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Inventories

Inventories are stated at the lower of their cost (using the first in first out method) 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 an insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a 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 Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however, the Group 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.

Foreign Currency Translation

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

Taxation

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

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

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

Provisions and Contingent Liabilities

Provisions are recognised when:

- the College has a present legal or constructive obligation because of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation
- 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.

Agency Arrangements

The College acts as an agent in the collection and payment of discretionary support funds and employer grants. Related payments received from the funding bodies and subsequent disbursements to students and employers are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. 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.
- As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the Group will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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.

- *Valuation of investment property*

The College carries its investment property at fair value and engages independent valuers to determine fair value on an open market value on an existing use basis. The calculated fair value of the investment property therefore uses assumptions, of which the most sensitive relate to market conditions.

2. Funding Body Grants

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Recurrent grants				
Education and Skills Funding Agency - Adult	6,685	6,685	6,935	6,935
Education and Skills Funding Agency - 16-18	23,879	23,879	20,666	20,666
Education and Skills Funding Agency - Apprenticeships	4,965	4,965	4,176	4,176
Specific grants				
Teachers' Pension Scheme contribution grant	733	733	568	568
ESFA/DfE Specific Grants	300	300	517	517
Releases of government capital grants	1,443	1,443	723	723
Total	**38,005**	**38,005**	**33,585**	**33,585**

3. Tuition Fees & Education Contracts

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Apprenticeship fees and contracts	78	78	71	71
Fees for FE loan supported courses	1,012	1,012	828	828
Other students fees	26	**26**	19	19
Total tuition fees	**1,116**	**1,116**	**918**	**918**
Education contracts	568	568	531	531
Total	**1,684**	**1,684**	**1,449**	**1,449**

4. Other Grants & Contracts

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
ERASMUS	2	2	98	98
Other grants and contracts	521	521	267	267
Total	**523**	**523**	**365**	**365**

5. Other Income

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Catering and residences	1,006	1,006	947	947
Other income generating activities	1,119	1,116	1,163	1,159
Miscellaneous income	66	66	62	62
Total	**2,191**	**2,188**	**2,172**	**2,168**

Gift aid, where applicable, from VBSS is included in other income-generating activities for the College which for 2023/24 was £nil (2022/23: £nil).

6. Investment Income

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Other interest receivable	56	56	7	7
Total	**56**	**56**	**7**	**7**
Net return on pension scheme (note 25)	122	122	-	-
	178	**178**	**7**	**7**

7. Donations – College only

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Restricted donations	267	267	-	-
Total	**267**	**267**	**0**	**0**

8. Staff Cost – Group

The average number of persons (including key management personnel) employed by the Group during the year, disclosed on an average head count basis, was:

YEAR ENDED JULY 31	2024 No.	2023 No.
Teaching staff	285	268
Non-teaching staff	594	512
Total staff	**879**	**780**

Staff Costs for the above persons:

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Wages and salaries	21,847	21,847	18,623	18,623
Social security costs	1,944	1,944	1,687	1,687
Other pension costs	2,987	2,987	3,224	3,224
Payroll subtotal	**26,778**	**26,778**	**23,534**	**23,534**
Contracted out staffing services	475	475	900	900
Redundancy costs:				
- contractual	31	31	9	9
- non-contractual	-	-	-	-
Total Staff costs	**27,284**	**27,284**	**24,443**	**24,443**

The College does not have any salary sacrifice arrangements in place.

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 Post Holders, which comprises the Principal and members of the Executive who are appointed by the Corporation Board. The number of key management personnel, including the Accounting Officer, in 203/24 was four (2022/23: four).

Key management personnel compensation is made up as follows:

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Salaries – gross salary sacrifice and waived emoluments	460	441
Performance related pay and bonus	-	-
Benefits in kind	-	-
Pension contributions	59	68
Total emoluments	519	509

YEAR ENDED JULY 31	Key management personnel		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£50,001 to £55,000 p.a.	-	-	-	1
£60,001 to £65,000 p.a.	-	-	1	-
£70,001 to £75,000 p.a.	-	-	-	1
£75,001 to £80,000 p.a.	-	-	1	-
£80,001 to £85,000 p.a.	1	1	-	-
£85,001 to £90,000 p.a.	-	-	-	-
£90,001 to £95,000 p.a.	-	1	-	-
£95,001 to £100,000 p.a.	1	1	-	-
£100,001 to £105,000 p.a.	1	-	-	-
£160,001 to 165,000	-	1	-	-
£180,001 to £185,000 p.a.	1	-	-	-
Total	4	4	2	2

The above emoluments include amounts payable to the Principal who is the Accounting Officer and is also the highest-paid member of staff for the period 1 August 2023 to 31 July 2024:

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Salary	181	162
Performance related pay and bonus	-	-
Benefits in kind	-	-
Pension contributions	-	13
Total emoluments	181	175

The governing body adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

The remuneration package of Key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive report to the Chair of Governing Council, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

The Principal undertakes annual reviews with key management personnel based on achievement of College objectives; recommendations are made to the remuneration committee based on these reviews. Relationship of Principal/Chief Executive pay, and remuneration expressed as a multiple:

YEAR ENDED JULY 31	2024	2023
Principal's basic salary as a multiple of the median of all permanent staff	6.33	6.12
Principal and CEO's total remuneration as a multiple of the median of all permanent staff	6.33	6.61

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

The Chair received remuneration of £6,000 for the period 1 August 2023 to 31 July 2024 (2022/23: £12,000).

The College Group paid seven severance payments in the year, disclosed in the following bands:

£0 to £25,000	7
£25,001 to £50,000	-
£50,001 to £100,000	-
£100,001 to £150,000	-
£150,000+	-

9. Other Operating Expenses

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Teaching costs	2,437	2,437	3,085	3,085
Subcontractor costs	649	649	622	622
Non-teaching costs	5,796	5,793	5,410	5,406
Premises costs	2,892	2,892	2,169	2,169
Total	**11,774**	**11,771**	**11,286**	**11,282**

Other operating expenses include:

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Auditor's remuneration:		
Financial statements audit*	57	53
Internal audit**	30	31
Other services provided by the financial statements auditor	1	1
Hire of assets under operating leases	46	46

* includes £53k in respect of the College only (2022/23: £46k)

** includes £30k in respect of the College (2022/23: £31k)

10. Interest & Finance Costs – Group only

YEAR ENDED JULY 31	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
On bank loans, overdrafts, and other loans:	56	56	67	67
On finance leases	2	2	-	-
Net interest on defined pension liability (Note 25)	-	-	283	283
Total	**58**	**58**	**350**	**350**

11. Taxation – Group only

The tax assessed in the year is £nil (2023: £nil) as no taxable profit has been generated from operations.

12. Tangible Fixed Assets – Group only

YEAR ENDED JULY 31	Land and Buildings (Freehold) £'000	Equipment £'000	Assets Under Construction £'000	Total £'000
Cost or valuation				
At 1 August 2023	42,969	22,466	650	66,084
Additions	1,331	5,897	2,126	9,354
Transfers	-	-	-	-
Disposals	-	(5)	-	(5)
At 31 July 2024	**44,300**	**28,358**	**2,776**	**75,433**
Depreciation				
At 1 August 2023	11,976	19,035	-	31,011
Impairment	-	-	-	-
Charge for the year	1,319	1,891	-	3,210
Transfers	-	-	-	-
Disposals	-	(5)	-	(5)
At 31 July 2024	**13,295**	**20,921**	**-**	**34,216**
Net book value at 31 July 2024	**31,005**	**7,437**	**2,776**	**41,218**
Net book value at 31 July 2023	30,993	3,431	650	35,074

All assets are owned by the College thus the balances are identical to the Group disclosure above.

Land and buildings were valued in 1996 at depreciated replacement cost by Innes England, a firm of independent chartered surveyors.

13. Non-Current Investments

The College owns 100 per cent of the issued ordinary £1 shares of Vision Business Support Services Ltd, which is a Limited Company incorporated in England and Wales. The principal activity of Vision Business Support Services Limited is the provision of back-office services.

14. Investment Property

WNC (Group) & WNC (College)	£'000
Carrying value at 1 August 2023	**4,100**
Transfer from tangible fixed assets	**-**
Gains from fair value adjustments	**30**
Carrying value at 31 July 2024	**4,130**

Investment properties are revalued each year by an independent valuer, Avison Young, a RICS Registered Valuer. The valuation has been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2020 and in accordance with UK GAAP and FRS 102. It is provided within these standards and associated RICS practice statements that, for properties that are held as investments, the basis of valuation is Fair Value. The definition of Fair Value in accordance with FRS 102 is as follows:

"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction."

Avison Young have adopted a market-based valuation for the assets, using available comparable information, and provided a formal revaluation as at 31 July 2024.

15. Trade & Other Receivables

YEAR ENDED JULY 31	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Amounts falling due within one year:				
Trade receivables	552	552	207	207
Amounts owed by group undertakings:				
Subsidiary undertakings	-	10	-	10
Prepayments and accrued income	3,344	3,345	1,839	1,839
Total	**3,896**	**3,907**	**2,046**	**2,046**

16. Creditors: Amount Falling due within 1 year

YEAR ENDED JULY 31	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans	275	275	263	263
Obligations under finance leases	5	5	-	-
Trade payables	768	768	603	603
Amounts owed to group undertakings:				
Subsidiary undertakings	-	7	-	140
Other taxation and social security	517	340	448	314
Accruals and deferred income	1,606	1,601	1,354	1,354
Movement in holiday pay accrual	(50)	(50)	170	170
Deferred income - government capital grants	290	290	290	290
Deferred income – ESFA capital grants	4,162	4,162	3,139	3,139
Amounts owed to the ESFA	35	35	126	126
Total	**7,608**	**7,433**	**6,393**	**6,399**

17. Creditors: Amount Falling due after 1 year

YEAR ENDED JULY 31	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans	899	899	1,174	1,174
Obligations under finance leases	17	17	-	-
Deferred income - government capital grants	16,501	16,501	10,454	10,454
Total	**17,417**	**17,417**	**11,628**	**11,628**

18. Maturity of Debt

a) Bank Loans & Overdrafts

YEAR ENDED JULY 31	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans and overdrafts are repayable as follows:				
In one year or less	275	275	263	263
Between one and two years	287	287	275	275
Between two and five years	613	613	899	899
Total	**1,175**	**1,175**	**1,437**	**1,437**

The College has one loan at a fixed rate of 4.365 per cent interest, repayable by instalments falling due between 2 August 2023 and 2 May 2028 totalling £1,437k. The loan is secured against three of the College's sites.

b) Finance Leases

YEAR ENDED JULY 31	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
The net finance lease obligations to which the institution is committed are:				
In one year or less	7	7	-	-
Between two and five years	20	20	-	-
Total	**27**	**27**	**0**	**0**

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

19. Provisions – Group

YEAR ENDED JULY 31	Defined benefit obligations £'000	Restructuring £'000	Enhanced pensions £'000	Dilapidations £'000	Total £'000
At 1 August 2023	-	-	735	-	735
Expenditure in the period	-	-	(67)	-	(67)
At 31 July 2024	**-**	**-**	**668**	**-**	**668**

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.

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 was created in accordance with guidance issued by the Association of Colleges and the current balance is considered to be sufficient for all future distributions.

20. Group Cash & Cash Equivalents

YEAR ENDED JULY 31	At 31 July 2023 £'000	Cash flows £'000	Other changes £'000	At 31 July 2024 £'000
Cash and cash equivalents	4,189	(761)	-	3,428
Bank loans – short term	(263)	263	(275)	(275)
Bank loans – long term	(1,174)	-	275	(899)
Total	**2,752**	**(498)**	**0**	**2,254**

21. Capital & Other Commitments

YEAR ENDED JULY 31 Group & College	2024 £'000	2023 £'000
Commitments contracted for at 31 July	5,224	-

Capital commitments relate to the redevelopment of Ashfield House, a former office site in the centre of Mansfield, into a Technology Centre for provision of STEM-focused training. The total contract value of £8m is grant-funded and there is currently £2,8m recognised in Note 12 as assets under construction.

22. Lease Obligations

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

YEAR ENDED JULY 31 Future minimum lease payments due:	2024 £'000	2023 £'000
Land and Buildings	-	-
Other:		
Not later than one year	19	15
Later than one year and not later than five years	69	-
	88	**15**

23. Contingencies

The College has taken a prudent approach to income recognition of Funding Body Grants but no earned income has been deferred on the Balance Sheet as no clawback is expected in 2024/25 except for unearned Allocations.

24. Events after the Reporting Periods

There are no events after the reporting period.

25. Defined Benefit Obligations

The Group's employees principally belong to two post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Nottinghamshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are multi-employer defined-benefit plans. There is also a defined contribution scheme in the Group.

Group

Total pension cost for the year		2024 £'000		2023 £'000
Teachers' Pension Scheme: contributions paid		2,086		1,677
Local Government Pension Scheme:				
Contributions paid	1,120		1,126	
FRS 102 (28) charge	(105)		486	
Charge to the Statement of Comprehensive Income		1,015		1,612
Enhanced pension charge to Statement of Comprehensive Income		-		-
Total Pension Cost for Year within staff costs		**3,101**		**3,289**

Teachers' Pension Scheme (TPS)

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

The TPS is an unfunded scheme, and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023/24 academic year of £733k (2022/23: £568k). A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. The pension costs paid to TPS in the year amounted to £2,086k (2022/23: £1,677k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Nottinghamshire County Council Local Authority. The total contributions made for the year ended 31 July 2024 were £1,120k, of which employer's contributions totalled £846k and employees' contributions totalled £274k. The agreed contribution rates for future years are an employer's rate of 19.6% with no fixed deficit reduction payment. For employees, contributions range from 5.5% to 12.5%. Contributions amounting to £90k were payable to the scheme at 31 July 2024 and are included within creditors.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 30 June 2023 updated to 31 July 202 by a qualified independent actuary.

YEAR ENDED JULY 31	2024	2023
Rate of increase in salaries	3.90%	3.80%
Future pensions increase	2.90%	2.80%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	2.90%	2.80%
Commutation of pensions to lump sums	50%	50%

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

YEAR ENDED JULY 31	2024	2023
Retiring today		
Males	20.4	20.4
Females	23.3	23.2
Retiring in 20 years		
Males	21.6	21.6
Females	24.7	24.6

Sensitivity analysis: impact on projected service cost:

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Discount rate +0.1%	(27)	(25)
Discount rate -0.1%	27	25
Mortality assumption – 1 year increase	29	27
Mortality assumption – 1 year decrease	(29)	(27)

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

YEAR ENDED JULY 31	Fair Value at 31 July 2024 £'000	Fair Value at 31 July 2023 £'000
Equity instruments	33,287	30,417
Bonds	2,731	2,874
Gifts	1,318	1,013
Property	5,852	6,030
Cash	3,314	3,165
Other	2,800	2,524
Infrastructure	3,980	4,057
Private Equities	1,763	1,677
Total market value of plan assets	**55,045**	**51,757**
Actual return on plan assets	**3,703**	**212**

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

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Fair value of plan assets	55,045	51,757
Present value of plan liabilities	(53,415)	(49,807)
Present value of unfunded liabilities	-	-
Net pensions asset	**1,630**	**1,950**
Less notional surplus not recognised	(1,630)	(1,950)
Net pensions asset as recognised in these financial statements	**-**	**-**

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

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Amounts included in staff costs:		
Current service cost	716	1,312
Past service cost	-	-
Administration cost	25	27
Total	**741**	**1,339**
Amounts included in investment income:		
Net interest cost	(122)	283
Total cost	**(122)**	**1,622**
Amount recognised in Other Comprehensive Income:		
Return on pension plan assets	1,047	(1,615)
Other actuarial gains on assets	-	(1,998)
Experience losses arising on defined benefit obligations	226	(10,678)
Changes in assumptions underlying the present value of plan liabilities	(1,820)	25,760
Less notional surplus not recognised	320	(1,950)
Amount recognised in Other Comprehensive Income	**(227)**	**9,519**

Movement in net defined benefit/(liability) during year:

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Net defined benefit/(liability) in scheme at 1 August	1,950	(8,750)
Movement in year:		
Current service cost	(741)	(1,339)
Employer contributions	846	853
Past service cost	-	-
Net interest on the defined (liability)	(122)	(283)
Actuarial gain/(loss)	(547)	11,469
Less notional surplus not recognised	(1,630)	(1.950)
Net defined benefit/(liability) at 31 July	**-**	**-**

Asset and Liability Reconciliation

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Changes in the present value of defined benefit obligations:		
Defined benefit obligations at start of period	49,807	62,639
Current service cost	716	1,312
Interest cost	2,534	2,110
Contributions by Scheme participants	274	274
Experience gains/(losses) on defined benefit obligations	(226)	10,678
Changes in financial assumptions	1,934	(21,341)
Change in demographic assumptions	(114)	(4,419)
Estimated benefits paid	(1,510)	(1,446)
Past Service cost	-	-
Curtailments and settlements	-	-
Defined benefit obligations at end of period	**53,415**	**49,807**

YEAR ENDED JULY 31	2024 £'000	2023 £'000
Changes in fair value of plan assets:		
Fair value of plan assets at start of period	51,757	53,889
Interest on plan assets	2,656	1,827
Return on plan assets	1,047	(1,615)
Other actuarial gain/(losses)	-	(1,998)
Administration expenses	(25)	(27)
Employer contributions	846	853
Contributions by Scheme participants	274	274
Estimated benefits paid	(1,510)	(1,446)
Fair value of plan assets at end of period	**55,045**	**51,757**

Actuary's statement on the effect of the McCloud and Sargeant judgements:

"Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. These may affect the value of the liabilities in respect of accrued benefits and therefore an allowance may need to be included in an employer's report. An allowance for the McCloud remedy will have been made in the liabilities which is consistent with the method adopted at the last actuarial valuation."

26. Related Party Transactions

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

Transactions with Vision Business Support Services (VBSS) Ltd., a wholly owned subsidiary, amounted to the entirety of VBSS's turnover as it recharges its pay costs to College. This amounted to £6,291k (2022/23: £6,291k) with £10k outstanding debtor and £140k outstanding creditor at 31/07/24 (2022/23: £nil).

The total expenses paid to or on behalf of the governors, excluding the Principal, during the year were £nil (2022/23: £1,809). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending governor meetings and charity events in their official capacity.

The former Chair of the Corporation Board, Sean Lyons, was paid £6,000 (2022/23: £12,000) for his services in the role and resigned in February 2024. The new Chair of the Corporation Board does not receive any remuneration in the role.

D2N2: The governor is no longer a Board member. Sales (2022/23: £63,100).

Mansfield and Ashfield 2020: a director of this organisation is also a vice principal of WNC. Sales in the year amounted to £27,189 (2022/23: £2,645). Purchases in the year amounted to £25,920 (2022/23: £9,630). There were no outstanding balances at 31/07/24. As of June 2024, the company became dormant and WNC carries out its activity in house.

Portland College: a WNC governor also undertakes paid employment at this organisation. Sales in the year amounted to £nil (2022/23: £284). Purchases in the year amounted to £84,228 (2022/23: £63,072). There was an outstanding balance of £284 at 31/07/24.

Nottingham Trent University: a WNC governor also undertakes paid employment at this organisation. Sales in the year amounted to £839,854 (2022/23: £850,494). Purchases in the year amounted to £321,747 (2022/23: £122,745). There was £40 due to College at 31/07/24. There was £2,330 owed by college at 31/07/24.

Linney Ltd: An employee of this firm is related to a vice principal of WNC. Purchases in the year amounted to £7,882 (2022/23: £11,350). There were no outstanding balances at 31/07/24.

Sherwood Forest Hospital NHS: a WNC governor also undertakes paid employment at this organisation. Sales in the year amounted to £nil (2022/23: £7,500). There were no outstanding balances at 31/07/24.

27. Amounts Disbursed as Agent

YEAR ENDED JULY 31	**2024** **£'000**	**2023** **£'000**
Balance brought forward as at 1 August	491	438
Funding body grants – bursary support	157	143
Funding body grants – discretionary learner support	764	658
Employer Grants	273	282
	1,685	**1,521**
Disbursed to students and employers	(1,182)	(993)
Administration costs	(38)	(37)
Balance unspent as at 31 July (included in creditors)	**465**	**491**

Funding body grants are available solely for students. Usually, 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.