Buckinghamshire College Group

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023

Buckinghamshire College Group is a trading name of Aylesbury College

Key Management Personnel, Board of Governors and Professional Advisers

KEY MANAGEMENT PERSONNEL

Key Management Personnel are defined as members of the College Executive and were represented by the following in 2022/23:

Jenny Craig – Principal and CEO; Accounting Officer

Clare Rooney – Vice Principal Learning and Quality (left the College on 26 May 2023)

Hannah James – Vice Principal Curriculum and Quality (appointed 26 May 2023)

Nicky Ellis – Assistant Principal, Student Engagement and Support (appointed 15 May 2023)

Tracey Matthews – Vice Principal Commercial and Partnerships (appointed 24 July 2023)

John McGrath – Vice Principal Corporate Services

Isobel Ellison – Executive Director Human Resources

Rachael Murray – Executive Director Digital Transformation and Planning

BOARD OF GOVERNORS

A full list of governors is given on pages 17 and 18 of these financial statements.

Anna Smith is the Director of Governance to the Corporation and acted throughout the period.

PROFESSIONAL ADVISERS

Financial statements auditors and reporting accountants:
Alliotts LLP
Chartered Accountants
Friary Court
13-21 High Street
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Internal auditors:
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Report of the Governing Body

OBJECTIVES AND STRATEGIES

The members of the Governing Body present their report and the audited financial statements for the year ended 31 July 2023.

Legal status

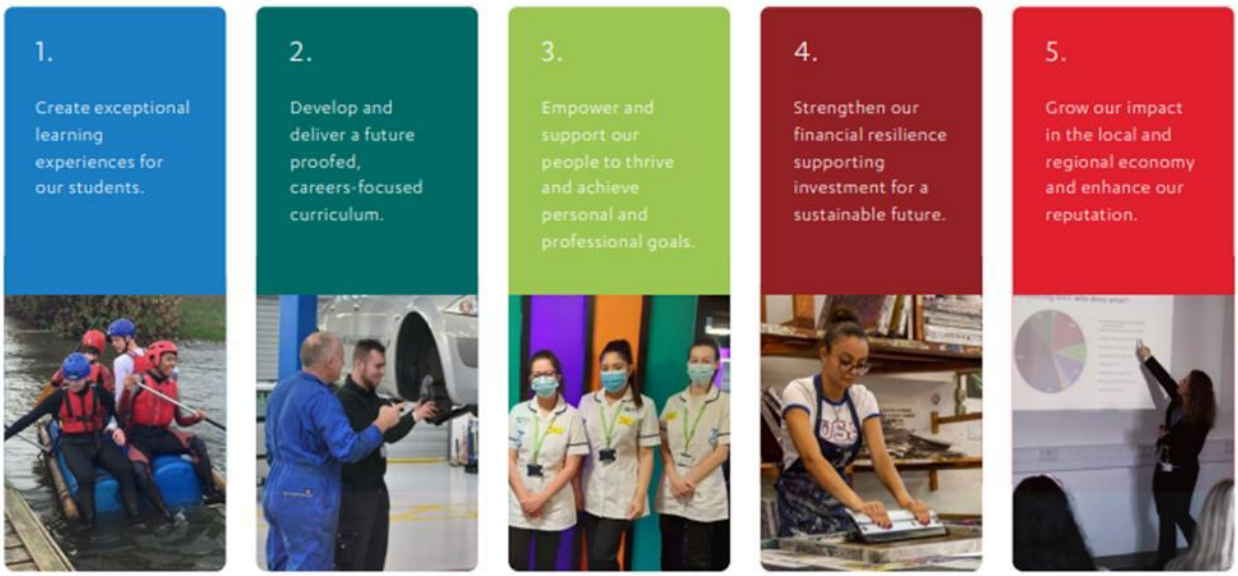
The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Aylesbury College. The College is an exempt charity for the purposes of the Charities Act 2011.

As a result of its merger with Amersham & Wycombe College on 3 October 2017, the merged College has chosen to trade under the name *Buckinghamshire College Group*. This is a trading name only and the name of the underlying legal entity remains Aylesbury College.

Mission and vision

The previous strategic plan (The Big Bucks Ambition) came to an end in July 2023. A refreshed mission and vision was developed, following consultation with stakeholders, during the 2022/23 academic year as part of the launch of a new strategic plan (Beyond Ambition) in July 2023 to take the College through to July 2028. The refreshed mission and vision is outlined below.

The Beyond Ambition Strategic Plan sets out five key strategic goals to meet our mission and vision:



Public Benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and its Principal Regulator is the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 17 & 18.

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

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

- High-quality teaching and learning;
- Widening participation and tackling social exclusion;
- Excellent employability development and progression outcomes;
- Highly effective student support systems;
- Strong positive working relationships with employers, industry, commerce and Local Enterprise Partnerships (LEPs).

Implementation of Strategic Plan

The College continued to make good progress during 2022/23 with meeting the strategic priorities from the Big Bucks Ambition Strategic Plan 2018-2023:

- Securing planning permission for the new campus in High Wycombe;
- The continued development of strong key strategic employer and stakeholder relationships to support skills planning and delivery in local and regional key priority sectors;
- Significant investment into facilities and resources on all campuses to support students and staff including technology, a refurbished Learning Centre and new T Level Business Suite at the Aylesbury campus;
- Successful implementation of the Strategic Development Fund (2) project to provide electric vehicle training facilities and enhanced training and engagement in the construction infrastructure sector;

- Investment in a staff pay award of not less than 6.5%;
- Formal sign off of intervention support by the Further Education Commissioner (FEC) Team;
- Further strengthening governance with an enhanced range of skills and expertise to support and challenge College leaders.

Financial objectives and targets

To develop a sound financial operating position that meets the following targets:

- a sustainable medium term underlying operating surplus of 1-2% of turnover, with a long term objective of reaching 3-5%;
- positive operating cash flow year on year in order to fund growth and capital investment;
- maintain an underlying current ratio (current assets / current liabilities) above 1.0;
- underlying minimum of 25 cash days.

Operate an effective financial control framework:

- robust financial controls with periodic audit review;
- monitor in year financial performance and take effective corrective action as required;
- operate a robust annual business planning and target setting process.

Meet requirements of funding / regularity body changes:

- provide accurate, unqualified timely returns to the Education and Skills Funding Agency (ESFA) and other funding bodies;
- ensure compliance with the College's payment policy;
- regular provider review dialogue with the ESFA.

Have an effective Value for Money culture throughout the College:

- providing guidance to management and governors on funding, budgeting and the College's financial regulations and policies;
- provide effective management information to allow for appropriate decision making;
- training staff to make use of financial systems and understand how to make better financial decisions.

Performance Indicators

Key Performance Indicators (KPIs) continue to be used to monitor the successful implementation of the objectives. These are aligned to the Strategic Plan. During the year the College used 25 such indicators to monitor performance – of these, 11 related to curriculum excellence, 5 related to our staff, 6 related to growth and development and 3 related to investment and financial sustainability. The KPIs are monitored and reported on as part of the College's reporting cycle and reviewed with the governing body at Corporation meetings. A large number of the KPIs ultimately combine to produce the two most common measures that the College is judged against – financial performance and student achievement. These are described further below.

The College is committed to observing the importance of the sector measures and indicators through robust self-assessment against nationally published measures. The College is required to complete the annual finance record for the ESFA. The finance record produces a financial health grading. The existing confirmed rating based upon the submitted 2021/22 Annual Accounts of 'Outstanding' is considered to be an overstatement of the underlying financial position of the College, which is considered to be one grade lower at 'Good'. The outcome of the 2022/23 rating exercise is expected to be 'Good'.

FINANCIAL POSITION

Financial results

The College's underlying operating deficit in the year was £502k (2022: £689k). Please refer to the summary analysis below.

	2022/23 £'000	2021/22 £'000
College Underlying Operating Deficit *	(502)	(689)
Interest receipts	654	26
Exceptional write back of Lennartz VAT payment	-	434
Adjustments on disposal of Hampden Fields	1,738	52,730
FRS 102 (28) charge	(816)	(2,295)
Surplus per statutory accounts	1,074	50,206
Accumulated Reserve excluding Pension Reserve	78,069	76,128
Pension Reserve	-	(9,108)
Total Accumulated Reserves	78,069	67,020
Cash Balances	27,184	30,712

* stated before Interest Receipts, Adjustments related to the disposal of Hampden Fields and FRS 102 (28) charges / adjustments.

The College set an underlying operating deficit budget target for the year of £736k. We managed to stay inside this target, although it was a mixed picture. 16-19 student recruitment (our primary source of income) held up and was boosted by the Government decision to fund an extra 40 hours of learning (7.5%) for each full time student. The College spent this funding on additional staffing and resources to meet this requirement. There has also been a continued increase in the cost of delivery, and therefore funding income, for students with special educational needs.

On the other side, we are seeing continued weakness in recruitment of adults to courses; whether for fully funded learning or where the adult will pay (or take out a student loan) to cover the course fee. There has been a national picture of lower adult recruitment in colleges, reflecting the issues post Covid and more recently the cost of living crisis (which has undoubtedly seen many adults working longer hours with less free time to invest in training or upskilling). This is an area that the College needs to address over the next 12-24 months so that the College can take a strong local lead in improving adult skills.

The employment market for the College continues to be very challenging, with staff moving for better employment packages both inside and outside the further education sector. The College's average headcount fell by 6.2% over the year, driven by fewer teachers. In turn this led to a much higher spend on agency staff to support classroom teaching. Recognising this, the College implemented a minimum 6.5% pay rise in the 2022/23 year and we have also implemented a similar increase in the 2023/24 year just started. These increases are beginning to have a positive impact and we are seeing more teaching positions now being filled by staff, although some subject areas such as Construction, are stubbornly difficult to recruit to.

The Government has continued to make capital funding available to improve the condition of College buildings and also to support the widening T Level provision. In April 2023 we also acquired the sites for our new campus in High Wycombe from Buckinghamshire Council and we received planning permission for the sites. As a result we have started a package of implementation works (primarily utility diversions and connections) to prepare the site for the main build to start in 2024. Of the total £6.5m capital additions in the year, £4.6m was on the new campus (with the Government providing £1.5m to support this) and we also spent a further £1.3m through Government funded capital schemes. The College funded the new campus land purchase and continued to invest in IT resources to replace aged infrastructure and teaching resources. IT investment will be a continued theme as we move to further embrace digital technology within our teaching methods and the way we work.

The College has benefited from substantial interest receipts by placing on deposit the funds received from the disposal of Hampden Fields in 2021/22. These funds will be required to support the construction of the new campus, for which the costs have significantly increased since the original estimates in 2020 (prior to the impact of Covid and the Ukraine war).

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 set out how these objectives were to be met in in practice by bringing into operation in the year a separate Treasury Management Policy, in addition to the guidance contained within its Financial Regulations.

Short term borrowing for temporary revenue purposes is authorised by the Corporation. Such arrangements are restricted by limits in the College's Financial Memorandum previously agreed with the ESFA and any such arrangements require the advance approval of the ESFA.

Cash flows

Operating cash flow was a £3.2m *inflow* for the year (2022: £1.3m *inflow*). This inflow was primarily used to invest in asset purchases which were £6.5m in the year. The second receipt of £8.0m from the sale of Hampden Fields was received during the year and the £12.4m of VAT resulting from the sale in 2021/22 was paid over to HMRC in September 2022.

As a result of all of the above, the College's net cash flow for the year was an *outflow* of £3.5m (2022: *inflow* of £28.0m).

Reserves policy

The College formulated and brought into use a formal Reserves Policy during the year. This recognises the importance of reserves in maintaining the long term financial sustainability of the College, alongside the need to maintain sufficient reserves to manage risks, recognise commitments and take advantage of opportunities arising. The policy sets out a minimum level of reserves of the *lower* of a minimum number of operating day's costs of 180 days and an absolute value of £15.0m.

Excluding Pension Reserve, as at the balance sheet date the College's Income and Expenditure reserve stands at £78.1m (2022: £76.1m) all of which is unrestricted. It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

The College's primary funding comes from the ESFA for the 16-19 year student group and reflects the level of activity that it generates each year in terms of student numbers and achievements.

In 2022/23, the College achieved 2,629 funded students in this group against 2,581 in 2021/22.

Student achievements

For 2022/23, overall achievement is 84.1%, which is a 2.8% improvement on the previous year and 2.7% above the national average based on our mix of provision. Overall, 16-18 Study Programme achievement is in line with national average at 79.8% whilst Adult achievement is 2.7% above national average at 88.9%. Overall Apprentice achievement has declined to 56.0% in 22/23, however remains 2.6% above national average. 377 students were in receipt of High Needs funding in 22-23 of whom 85.9% achieved, which is just above overall College average and 2.1% above national average.

English GCSE high grades (grades 4-9) for all ages is 27.7% and GCSE maths high grades for all ages is 25.1%, which are significant improvements of 8.0% on 18-19 pre-pandemic results and 4.8% above the 22-23 provider type average, and a 13.1% improvement on 18-19 pre-pandemic levels and 10.6% above 22-23 provider type average respectively.

Whilst we have seen improvements in achievement rates, the College continues to prioritise the implementation of simplified quality processes and practices to improve the consistency of the student and apprentice experience across all provision types, levels and campuses. Attendance remains a challenge as does the limited breadth of opportunity for personal development of students and apprentices in relation to work experience and pastoral support. The College has self-assessed as Good overall for 2022/23, with Personal Development and Apprenticeships as key areas requiring improvement, supported by a targeted quality improvement plan for 2023/24.

Curriculum Developments 2022/23

Buckinghamshire College Group offers a range of full and part-time programmes at all levels across its three campuses at Aylesbury, Amersham and Flackwell Heath, near High Wycombe. The College works with key strategic partners to develop industry-focused vocational specialisation at each campus, in response to emerging and future skills gaps and shortages. The College was an integral partner in supporting Buckinghamshire Business First (the designated employer representative body) to develop the Local Skills Improvement Plan for Buckinghamshire and is working to ensure that its provision closely aligns to the key industry priority sectors.

Industry sector employer boards have been developed throughout 2022/23 to inform future curriculum developments and to ensure that employers are integrally involved in curriculum delivery including through master classes, career engagement events and the provision of high quality work placements.

The College is a founding member of the Bucks Health and Social Care Academy in partnership with Bucks NHS Healthcare Trust, Health Education England, Buckinghamshire Council, Bucks New University, University of Bedfordshire, GP Federation, Buckingham University and Bucks LEP. The purpose of the Academy is to provide an integrated and cohesive health and social care workforce training to ensure the best possible delivery of care for people in Buckinghamshire. The College works effectively with other key priority sectors, for example continuing to grow the Level 4 programme at Pinewood studios which responds to film and TV skills gaps and shortages. Students benefit from a wide range of high quality work and industry placements across all sectors.

The College is a key member of the Local Enterprise Partnership (LEP) Board and is also represented on the Buckinghamshire Council's Opportunity Bucks Board and its newly established Skills Strategy Board. This ensures that the College is able to align its curriculum to key local priorities and provide high quality career pathways to level up skills and employment opportunities for all students, especially those most disadvantaged or vulnerable.

Curriculum planning for the enlarged College is comprehensive, linked to budget and ensures a clear, consistent curriculum footprint across all campuses. The curriculum is reviewed and revised as part of the College's annual business planning cycle. This ensures that the College's offer remains highly responsive to the needs and demands of students, employers, and the local community and local, regional and national skills objectives are being met.

The College continues to work in collaboration with a number of partners as part of Buckinghamshire's place-based integrated leadership including Higher Education Institutions, Local Enterprise Partnerships, Buckinghamshire Council, Buckinghamshire NHS Trust, skills and education providers, community groups and employers to provide a range of curriculum opportunities at all levels to meet the needs and interests of the wider community we serve.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the year the College paid 82% of invoices within 30 days (2022: 90%) and suffered no interest charges as a result of late payments.

Capital Developments 2022/23

As described above, the College had £6.5m of capital additions during the year. This is broken down as follows:

- £4.5m for the new campus project – this was made up of £2.9m for the land additions which were on a mixture of freehold and leasehold arrangements and £1.6m for construction work. Government funding covered £1.5m of the construction work;
- £1.3m of fully funded Government expenditure supporting the introduction of new T Levels and local skills improvement priorities;
- £0.7m of other investment, which was a mixture of IT equipment and improvements to buildings.

Future Capital Developments

The College has a number of excellent facilities for learning and development across its three campuses. The College is aware however that our investment levels need to increase over time, particularly as existing assets age.

As a result the College is implementing a plan to relocate its existing Amersham and Flackwell Heath (near Wycombe) campuses to a new town centre site in High Wycombe. In January 2023 the local planning authority granted planning consent for the scheme. Since then the College has been active in arranging preparatory works to clear the site and make the necessary utilities diversions and connections around it. This will allow the main build activity to commence in spring 2024. We expect the new campus to be in operation at a point during the 2025/26 academic year.

The delivery of this project would not only create the modern site needed for vocational and technical education in the south of the county, but also be a major underpin to the long term financial sustainability sought by the College.

In addition, during the 2023/24 academic year the College also plans to look closely at how the Aylesbury campus delivers the educational facilities that both students and staff required. This will include sustainability considerations and how the campus can minimise its carbon footprint.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the three college campuses at Aylesbury, Amersham and Wycombe which are valued at a combined cost in excess of £50m in the financial statements.

Financial

The College has £78.1m of net assets (2022: £67.0m) including a net nil pension liability as measured under the relevant accounting standard (2022: £9.1m). The College has no outstanding bank debt but does have a long term lease liability for land at the new campus of £0.9m.

People

Expressed as the average monthly headcount, the College employs 437 people (2022: 466), of whom 241 are teaching or teaching-related staff (2022: 268).

Reputation

The College continues to have a very good reputation locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and external partners.

PRINCIPAL RISKS AND UNCERTAINTIES

Through the College Executive and senior management team, the College ensures it recognises, assesses and mitigates the risk of changes as they emerge in order to plan effectively for the future.

This includes continual work to develop and embed the system of internal control, including financial, operational and risk management which protect the College's assets and reputation.

Based on the College Strategic Plan, the Executive and senior management team undertakes a regular comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which will mitigate any potential impact on the College. The internal controls are then implemented and progress monitored using the College KPIs and other management information. The management groups will also consider any risks which may arise as a result of a new area of work being undertaken by the College, for example the development of the new campus.

A risk register is maintained. It is updated by the College and reviewed by the Audit Committee on a termly basis. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. Risk is a standing agenda item discussed at College Executive meetings.

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

1. The Longer Term Impact of Covid and the Cost of Living Crisis

Whilst the direct safety risk from COVID is now significantly reduced, there are a number of longer terms factors that are affecting students and their families. These has been exacerbated by the Cost of Living Crisis that the UK has suffered over the last 12-18 months. These factors include:

- Ensuring students receive relevant and sufficient learning in line with their course requirements to successfully achieve;
- Supporting students and staff with the ongoing health and mental issues;
- The need to provide increased bursary support;
- Managing the financial impact of the pandemic. As mentioned earlier in the report, this has changed student recruitment patterns and the decision as to whether or not a course is affordable or possible to take part in (where relevant).

The risks are collectively being managed by the College in the following ways:

- Working closely with awarding bodies and regulators to make effective use of blended learning methods whilst ensuring sufficient relevant face to face contact teaching takes place;
- Relevant use of Government funding provided for catch up tuition;
- Providing a range of spaces and services that support student and staff wellness;
- Increased support from external organisations that are supporting young people through the challenges of a post-pandemic education;
- Increasing resources to ensure that bursaries are available to all qualifying students;
- Responding to the increased focus given by the Government to the reskilling of the country's workforce, with a particular emphasis on adult retraining and investment.

2. Government Funding (and subsequently the maintenance of financial viability)

The College has considerable reliance on continued Government funding through the ESFA and other funding bodies. In 2022/23, 86% of the College's revenue was Government funded (91% in 2022).

Government funding levels per student are currently stable and have seen some recent changes reflecting increased investment for both additional learning and also to support sector finances generally (and particularly the ability to support a staff pay review). Nevertheless, it is the recruitment of student numbers that plays the determining factor in the long term levels of income. The pressures on national finances may also make it challenging to see real terms increases in the coming years.

The underlying risks in government funding are mitigated by the College in a number of ways:

- Funding is derived through a combination of direct and indirect contractual arrangements;
- Ensuring the College is rigorous in the delivery of high quality education and training in order to increase future student recruitment;
- The College focuses on those priority sectors which will continue to benefit from public funding;
- Maximising the efficiency of costs that deliver government funded programmes, so as to make them affordable and sustainable; and
- Regular dialogue with the local ESFA contacts.

3. Tuition fee policy

In line with the majority of other colleges, Buckinghamshire College Group has increased tuition fees in accordance with inflationary pressures and where government policy requires it. The price elasticity of adult learning is not measurable and there exists a risk that demand will contract as fees increase. This is likely to impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students;
- Being sensitive to the demand for courses as fees change.

4. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102 (28). Accounting for defined benefit pension schemes under FRS 102 (28) is a risk as the pension scheme is not under the control of the College and is accounted for in accordance with advice from independent qualified actuaries. Judgements are required in relation to assumptions for future salary increases, inflation, investment returns and member lifespan that underpin the actuarial valuations.

The College liaises with the pension actuary to review and challenge any assumptions which may be inconsistent with the College's own view and which have a material impact upon the reported share of the pension scheme deficit.

5. Achievement of quality targets

The College recognises that an attraction for students and prospective students is the reputation for quality that a College has. The College's recent Ofsted rating in November 2021 was 'Good' and the College places significant emphasis on maintaining this reputation and rating for quality.

The College monitors performance against a range of quality targets on a periodic basis ranging from weekly to annual. Courses and staff are assessed from a quality perspective and a senior member of curriculum staff has responsibility for monitoring College-wide quality performance.

6. Safeguarding

The College recognises that it is responsible for, and has a role to play in safeguarding the children and young people that it interacts with. Whilst the majority of this interaction will be on the College premises, the College also has a role in ensuring, to the best of its ability, the safety and security of young people in other locations, such as the workplace or their home environment.

The College invests significant time, resource and money in ensuring this safeguarding objective is met. The most significant ways in which the College achieves this are:

- Ensuring all staff and volunteers are recruited as suitable for working with children and young people;
- The training of staff to be able to spot the signs and symptoms of abuse and know the procedure for raising concerns;
- Establishing a safe environment in which the views of every person are valued and respected; and
- Working closely in partnership with parents, other organisations and agencies to share relevant information.

7. Recruitment and retention of staff

Through the impact of COVID and the current national 'cost of living crisis', the College has seen an emerging risk evolve in relation to the recruitment and retention of the College's workforce. This risk is manifested through factors such as:

- A smaller employment market seeking work in an area of very low unemployment;
- The College (and sector) pay lagging behind comparable employers (such as schools);
- The difficulty in being able to meet expectations in remote working where this is seen an advantage to employment.

The College has responded to this by:

- Increasing dialogue with staff and trade unions;
- Prioritising improvements in pay for staff;
- Looking to add, manage and publicise additional benefits alongside pay;
- Innovating in how prospective employees can be reached in terms of advertising and awareness.

8. Maintaining the quality of campus facilities

The College has a range of campuses and facilities that serve our students and communities. Each campus has a different state of upkeep that reflects the investments in them over a long period. The College is required to ensure that campus facilities are invested in so that they remain an attractive proposition for new and existing students alike and that they support the curriculum needs. This includes active management of the asbestos present in the older buildings at both Amersham and Wycombe (Amersham in particular).

The College mitigates these risks by monitoring building quality, particularly in relation to asbestos and taking effective remedial action where necessary. The longer term management of this risk is being addressed in the estates strategy that is in the process of implementation as described earlier.

STAKEHOLDER RELATIONSHIPS

Partnerships

In line with other colleges, the College has many stakeholders, including:

- Students;
- Funding bodies;
- Staff / Members of Corporation;
- Local employers (with specific links);
- Local Authorities;
- Local Enterprise Partnerships;
- The local community;
- Other FE institutions;
- Local universities;
- Trade unions;
- Professional bodies; and
- Delivery partners.

The College actively seeks ways to engage with our stakeholders to gather valuable feedback to inform our business practices.

Trade union facility time

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

Relevant union officials

Number of employees in relevant period	FTE employee number
3	2.5

Percentage of time spent on facility time

Percentage of time	Number of employees
5-10%	3

Percentage of pay bill spent on facility time

Total cost of facility time	£11,000
Total pay bill (defined as staff costs excluding FRS102 charge)	£14,342,000
Percentage of total bill spent on facility time	0.08%

Equality

The College is committed to the promotion of equality of opportunity and places great value on the diversity of its community. The provision of equality of opportunity and respect for the needs and rights of the individual are fundamental to the stated mission and values of the College. The College promotes British values and a culture of respect and values diversity.

Buckinghamshire College Group fulfils its general and specific duties in relation to equality of opportunity and actively demonstrates due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities, in all strands as identified in the Equality Act 2010, these being:

- Age;
- Disability;
- Gender reassignment;
- Pregnancy and maternity;
- Race – this includes ethnic or national origins, colour or nationality;
- Religion or belief – this includes lack of belief;
- Gender;
- Sexual orientation;
- Marital status/civil partnerships.

Employment of Disabled Persons

The College has been awarded the 'two ticks' Positive about Disabled People accreditation by Job Centre Plus for the College's employment practices.

The College considers all applications for employment from people with disabilities, whilst considering the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure the continuation of employment in the College.

The College's policy is to provide professional development and opportunities for progress that are, as far as possible, identical to those for other people.

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010. It has done this by adopting the following:

- As part of its accommodation strategy the College updated its access audit. The buildings of the College at the Aylesbury campus have been designed to be DDA compliant and capital projects have improved access at both the Amersham and Wycombe campuses.
- The College has a designated lead who provides information, advice and arranges support where necessary for students with disabilities.
- The College makes available a range of specialist equipment for use by students with disabilities.
- The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are also a number of student 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 students who have learning difficulties and/or disabilities.
- Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 13th December 2023 and signed on its behalf by:

M. Tugwell
M. Tugwell (Dec 18, 2023 14:15 GMT)

M Tugwell
Chair of Governors

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

1. In accordance with the Seven Principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code").

In the opinion of the Governors, the College complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2023. 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 14 July 2016. The Association of Colleges published a revised version of the Code in September 2021 and the Corporation adopted this version on 5 May 2022.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report are as listed in the table below.

Name	Date of appointment	Term of Office	Date of resignation	Status of appointment	Committees Served	Corporation meeting attendance
(Outgoing) Chair: Max Hailey	Re-appointed 15/03/2018	To 31/7/2024	30/06/2023	General	Remuneration Estates	6 of 6
(Incoming) Chair: Martin Tugwell	07/07/2022 to board 01/07/2023 as Chair	To 30/6/2027			Audit (to 30/06/2023) Estates	5 of 6
Vice Chair: David Bainton	Re-appointed 6/10/2019	To 31/7/2024		General	Chair of Remuneration Chair of Finance Estates	4 of 6
Jenny Craig	11/07/2022	N/A		Principal	Search & Development Quality & Curriculum Finance Estates	6 of 6
Ian Harper	Re-appointed 10/12/2022	4 years		General	Chair of Quality & Curriculum Search & Development	5 of 6
Edward Weiss	Re-appointed 24/05/2020	4 years		General	Chair of Audit Estates	6 of 6
Amir Khaki	13/02/2020	4 years		General	Remuneration	4 of 6

Name	Date of appointment	Term of Office	Date of resignation	Status of appointment	Committees Served	Corporation meeting attendance
Nick Bevan	13/02/2020	4 years		General	Chair of Search & Development Audit Quality & Curriculum	6 of 6
Bethan Waters	30/04/2020	4 years		General	Estates	5 of 6
Caroline Hargrave	29/04/2021	4 years	21/03/2023	General	Quality & Curriculum	3 of 3
Chris Oakley	29/04/2021	4 years		General	Finance	5 of 6
Kish Sidhu	29/04/2021	4 years	10/10/2023	General	Finance	4 of 6
Ian Greggor	29/04/2021	4 years		General	Chair of Estates Finance	5 of 6
Martina Porter	28/03/2023	4 years		General	Quality & Curriculum	3 of 3
Tim Marshall	28/03/2023	4 years		General	Finance Estates	2 of 3
Catherine Prest	01/09/2023	4 years		General	Quality & Curriculum	N/A
Julie Gillespie	22/10/2018	4 years	22/10/2022	Staff	Estates	0 of 1
Adam Poland	01/01/2022	4 years		Staff	Search & Development	2 of 6
Alex Reynolds	22/10/2022	4 years		Staff	Quality & Curriculum	1 of 5
Anna Smith acts as Director of Governance to the Corporation						

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation met six times during the year ended 31 July 2023.

The Corporation conducts its business through its Audit, Remuneration, Search & Development, Quality & Curriculum, Finance and Estates Committees, each of which have terms of reference. Full minutes of all Corporation and Audit Committee meetings, except those deemed to be confidential, are available on the College's website at www.buckscollegegroup.ac.uk or from the Director of Governance to the Corporation at the College's primary address at Oxford Road, Aylesbury, Buckinghamshire, HP21 8PD.

The Director of Governance to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the College's registered address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance 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 Director of Governance are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Sector and College 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 Chair and Accounting Officer are separate.

Appointments to the Corporation

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

Members of the Corporation are appointed for a term of four years and may be re-appointed for a further term not to exceed eight years in total, other than in exceptional circumstances.

Clerk to the Corporation Training and Development

The Director of Governance continues to utilise a strong network of experienced governance professionals in support of the role. She attends the AoC South East Clerks and Governance Professionals Network meetings, relevant ETF webinars and also attended the AoC Annual Governance Professionals Conference in January 2023. In addition the Director of Governance achieved the ETF/IoD Award for Further Education Governance Professionals (FEGP Award) and the Certificate for Further Education Governance Professionals (Cert FEGP).

Governor training and development

The College subscribes to the Education and Training Foundation's Governor Development Programme (GDP) delivered through FutureLearn. All Governors are required to register as members when they join the Corporation and mandatory training includes completion of Safeguarding, Prevent and Equality, Diversity and Inclusion training modules directed at governors. The following are offered as optional training/networking with a good response rate from Members:

- GDP Modules for Audit, Finance and Quality Committee Members
- AoC Masterclasses on various FE governance topics e.g. Introduction to FE Finance; Funding & Data, Audit Committee masterclass etc.
- Unloc Student Governor induction and training events
- AoC Staff Governor training
- AoC Chairs of Audit, Finance and Quality Committees Network Meetings

In respect of the Audit Committee in particular, within the GDP described above there are various courses and modules designed for, and made available to, members of the Committee. In October 2022 the Chair of Corporation and Chair of Audit Committee attended the AoC Audit Committee Masterclass and the Chair of the Audit Committee has attended an AoC Chairs of Audit Committees Network session. The Chair of the Audit Committee also attended the AoC/ETF 2022/23 Regional Governor Conference in March 2023. The Audit Committee annually reviews its Members' training and development to consider any development requirements and ensure skills and knowledge are up to date.

The Clerk maintains an up-to-date record of all Governors training and development.

Corporation performance

The Corporation carried out a self-assessment review in November 2022 to review how well governors felt the Corporation had fulfilled its responsibilities during 2021/22 as set out in the Code of Good Governance for English Colleges. 11 out of 12 governors completed the review.

Overall 91% of responses shows governors fully agreed and 9% of responses showed governors partially agreed that the Corporation discharged all ten responsibilities set out in the Code.

The Corporation commissioned an external board review which was received by the Board in April 2021. The action plan to address recommendations was approved and regularly reviewed by the Corporation and all recommendations were completed in the 2021/22 year. DfE guidance states that FE Corporations must have an external governance review every 3 years and therefore the Corporation has commissioned its next review which is to commence in November 2023 and will report in early 2024.

Remuneration Committee

The College's Remuneration Committee comprised three members of the Corporation. The Corporation adopted the Association of College's Senior Post Holder Remuneration Code (the Remuneration Code) on 16 May 2019 and this is now incorporated into the revised Code of Good Governance for English Colleges. The Remuneration Committee holds responsibility for the performance, development and pay reviews of all Senior Post Holders and the Director of Governance.

Senior post holders within the remit of the Remuneration Committee are:

Jenny Craig, Principal and Chief Executive
Hannah James, Vice Principal Curriculum and Quality
John McGrath, Vice Principal Corporate Services

All senior post holder salaries and the Director of Governance's salary are benchmarked annually against the results of the AoC College Senior Pay Survey. The pay multiple of Jenny Craig as the Principal and Chief Executive is £135,000 which is in line with market value and sits in the median quartile of the benchmarking data for the role. There was no change in salary for the Principal and Chief Executive during 2022/23 following her appointment to the role in July 2022.

Further details of remuneration for the year ended 31 July 2023 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises three members of the Corporation (excluding the Accounting Officer and Chair) and a co-optee. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion.

Where appointed by College management to do so, 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. Management is responsible for the implementation of agreed audit recommendations.

The Audit Committee also advises the Corporation on the appointment of internal and external auditors and reports annually to the Corporation.

The attendance for the members of the Audit Committee at its three meetings in the year was as follows:

Name	Status of appointment	Meeting attendance
Eddie Weiss (Chair)	Corporation general member	3 of 3
Nick Bevan	Corporation general member	3 of 3
Martin Tugwell (until 30/06/2023)	Corporation general member	1 of 2
Colin Hayfield	Co-opted member (resigned 31/07/2023)	2 of 3

Search and Development Committee

The Search and Development Committee comprises four members of the Corporation. The Committee considers the Corporation's membership needs and recommends the re/appointment of governors and co-opted members. In addition, the Committee reviews training and development needs of members and regularly considers governors' attendance, declarations of interest and diversity of the Board.

Quality and Curriculum Committee

The Quality and Curriculum Committee comprises six members of the Corporation and a co-optee. The Committee operates in accordance with written terms of reference approved by the Corporation and is responsible for overseeing all aspects of the College which relate to students, including curriculum offer, performance, support and improvement strategies.

Finance Committee

The Finance Committee comprises six members of the Corporation and is responsible for monitoring and planning for the College's financial position and financial control systems, ensuring the Corporation discharges its financial responsibilities correctly and that the College remains financially viable.

Estates Committee

The Estates Committee comprises eight members of the Corporation and is responsible for overseeing the implementation of the College's estates strategy on a more regular and deeper basis than can be afforded in the main Corporation meetings.

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, not absolute assurance, against material misstatement or loss.

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

The purpose of the system of internal control

The system of internal control is designed to manage the 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 on-going process, designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of these risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The system of internal control has been in place within the College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls which have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place and operational for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. The adequacy of this process is regularly reviewed by the Corporation.

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed and annual internal audit plans are based on this analysis – these plans are endorsed by the Corporation on the recommendation of the Audit Committee. Reports from the internal audit service include an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes for the areas reviewed. This can also be supplemented by additional reviews from funding bodies, undertaken in accordance with their funding rules.

The College is mindful of its responsibilities to ensure it operates in line with the regulations laid down by its funding bodies. The controls to ensure this takes place include the establishment of operating procedures and processes that generate student records and funding, and the provision of adequate resources to manage and monitor compliance – this includes both the appropriate staffing resources and other resources such as software monitoring tools.

For the year ending 31 July 2023 the Audit Committee has considered the evidence and reports commissioned and made available to it and has concluded that controls both previously implemented and improved are continuing to prove effective and the overall position has been satisfactory.

Going Concern

The College has been able to successfully mitigate the major impacts of Covid and the Cost of Living Crisis within the financial results of the last three years. Nevertheless, and as described earlier in the Report of the Governing Body, longer term impacts need to be addressed to ensure the College can build a more sustainable future. The College will therefore continue to maintain rigorous cost control measures whilst we develop the opportunities that exist within Buckinghamshire and the surrounding areas. This can be supported by the College's available reserves.

As a result and after making appropriate enquiries, including the review of cash flow forecasts to 31 July 2025, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason the Corporation continues to adopt the going concern basis in preparing the financial statements. Further information regarding this assessment can be found in note 1 to the financial statements on page 34.

Responsibilities Under Funding Agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the college sector 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.

Review of effectiveness

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

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

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

The Senior Management 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 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 Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2023.

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

Approved by order of the members of the Corporation on 13th December 2023 and signed on its behalf by:

M. Tugwell
M. Tugwell (Dec 18, 2023 14:15 GMT)

M Tugwell
Chair of Governors

J Craig
J Craig (Dec 18, 2023 15:19 GMT)

J Craig
Accounting Officer

Statement on the College's regularity, propriety and compliance

As accounting officer I confirm that the corporation has had due regard to 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 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 or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

J Craig
J Craig (Dec 18, 2023 15:19 GMT)

J Craig
Accounting Officer

Date: 13/12/2023

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.

M. Tugwell
M. Tugwell (Dec 18, 2023 14:15 GMT)

M Tugwell
Chair of Governors

Date: 13/12/2023

Statement of Responsibilities of the Members of the Corporation

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

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

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

The corporation is also required to prepare a members' report that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the 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 by Parliament 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 13th December 2023 and signed on its behalf by:

M. Tugwell
M. Tugwell (Dec 18, 2023 14:15 GMT)

M Tugwell
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF AYLESBURY COLLEGE

Opinion

We have audited the financial statements of Aylesbury College (the 'College') for the year ended 31 July 2023 which comprise the college statement of comprehensive income, the college balance sheet, the college statement of changes in reserves, the college statement of cash flows 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 United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the College's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governor'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 governors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2022 to 2023 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

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

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

Responsibilities of the Governing Body of Aylesbury College

As explained more fully in the Statement of the Responsibilities of the Members of the Corporation set out on page 25, the Governing Body is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body 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 Governing Body 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 Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the college through discussions with governors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the college, including Keeping Children Safe in Education under the Education Act 2002, Ofsted, ESFA and OfS regulatory requirements, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims

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

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

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

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 22 June 2022. Our audit work has been undertaken so that we might state to the Governing Body, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Alliotts LLP
Alliotts LLP (Dec 18, 2023 16:11 GMT)

Alliotts LLP
Chartered Accountants
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Dated: December 2023

Buckinghamshire College Group
Statement of Comprehensive Income for the Year to 31 July 2023

	Notes	2023 £000	2022 £000
Income			
Funding body grants	2/3	28,418	26,170
Tuition fees and education contracts	3	840	995
Other grants and contracts	4	300	184
Other income	5	931	1,355
Investment income	6	2,392	26
Total Income		**32,881**	**28,730**
Expenditure			
Staff costs	7	14,834	15,099
Restructuring costs	7	32	10
Other operating expenses	8	14,281	13,074
Depreciation and amortisation	11/12	2,364	2,229
Interest payable and other finance costs	9	296	828
Total Expenditure		**31,807**	**31,240**
Surplus / (Deficit) before other gains and losses		**1,074**	**(2,510)**
Profit on disposal of tangible fixed assets	11	-	52,716
Surplus before tax		**1,074**	**50,206**
Taxation	10	-	-
Surplus for the year		**1,074**	**50,206**
Remeasurement of net defined benefit pension liability	17/19	9,975	24,835
Total Comprehensive Income for the year		**11,049**	**75,041**

Buckinghamshire College Group
Balance Sheet as at 31 July 2023

	Notes	2023 £000	2022 £000
Non current assets			
Tangible fixed assets	11	40,729	36,506
Intangible assets	12	80	124
Debtors due after one year		20,048	24,405
		60,857	**61,035**
Current assets			
Stock		9	16
Debtors	13	8,477	9,258
Cash at bank and in hand		27,184	30,712
		35,670	**39,986**
Current liabilities: Creditors	14	(7,294)	(16,719)
Net current liabilities		**28,376**	**23,267**
Total assets less current liabilities		**89,233**	**84,302**
Creditors - amounts falling due after more than one year	15, 16	(11,047)	(8,011)
Provisions for liabilities			
Defined benefit pension schemes	17	-	(9,108)
Other provisions	17	(117)	(163)
Total net assets		**78,069**	**67,020**
Reserves			
Unrestricted income and expenditure reserve		71,977	60,791
Revaluation reserve		6,092	6,229
Total reserves		**78,069**	**67,020**

The financial statements on pages 30 to 50 were approved and authorised for issue by the governing body on 13 December 2023 and were signed on its behalf by:-

M. Tugwell
M. Tugwell (Dec 18, 2023 14:15 GMT)

M Tugwell
Chair of Governors

J Craig
J Craig (Dec 18, 2023 15:19 GMT)

J Craig
Accounting Officer

Buckinghamshire College Group
Statement of Changes in Reserves for the year ended 31 July 2023

	Income and expenditure reserve	Revaluation reserve	Total
Balance at 1st August 2021	**(14,387)**	**6,366**	(8,021)
Surplus for the year	50,206	-	50,206
Other comprehensive income	24,835	-	24,835
Transfer between revaluation and income and expenditure reserves	137	(137)	-
Total comprehensive income for the year	**75,178**	**(137)**	**75,041**
Balance at 31st July 2022	**60,791**	**6,229**	**67,020**
Surplus for the year	1,074	-	1,074
Other comprehensive income	9,975	-	9,975
Transfer between revaluation and income and expenditure reserves	137	(137)	-
Total comprehensive income for the year	**11,186**	**(137)**	**11,049**
Balance at 31st July 2023	**71,977**	**6,092**	**78,069**

Buckinghamshire College Group
Cash Flow Statement for the year ended 31 July 2023

	Notes	2023 £000	2022 £000
Cash generated from operating activities			
Surplus for the year		1,074	50,206
Adjustment for			
Depreciation and amortisation		2,364	2,229
Decrease in stocks		7	2
Increase in debtors due within one year		(1,124)	(754)
Increase / (Decrease) in creditors		2,476	(298)
Pension costs less contributions payable		525	1,796
Investment income		(2,392)	(26)
Interest payable		296	828
Profit on disposal of tangible fixed assets		-	(52,716)
		3,226	1,267
Investing activities			
Proceeds from sale of fixed assets		-	53,343
Debtors due after one year resulting from sale of fixed assets		4,357	(24,405)
Debtors due within one year resulting from the sale of fixed assets		1,905	(7,619)
(Decrease)/Increase in creditors resulting from investment in fixed assets		(8,862)	12,402
Investment income		2,392	26
Purchase of tangible and intangible fixed assets		(6,546)	(1,597)
		(6,754)	32,150
Financing activities			
Interest paid		-	(327)
Repayment of amounts borrowed		-	(5,069)
		-	(5,396)
Increase / (Decrease) in cash and cash equivalents in the period		**(3,528)**	**28,021**
Cash and cash equivalents at beginning of the year	18	30,712	2,691
Cash and cash equivalents at end of the year	18	27,184	30,712

Notes to the Financial Statements for year ended 31 July 2023

1 Accounting policies

General Information
Aylesbury College trading as Buckinghamshire College Group is a corporation established under the Further and Higher Education Act 1992 and an English general college of further education. The address of the College's principal place of business is Oxford Road, Aylesbury, HP21 8PD. The nature of the College's operations is set out in the Report of the Governing Body on pages 4 to 16.

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (F&HE SORP 2019), the College Accounts Direction for 2022 to 2023 and Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets. The financial statements are prepared in sterling, which is the functional currency of the College. Monetary amounts in these financial statements are rounded to the nearest £1,000 unless otherwise stated.

The principal accounting policies adopted are set out below. These policies have been consistently applied in all the years presented unless otherwise stated.

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

The College no longer has any loans after being able to repay them in 2022. The College also has access to reserves that are available to fund capital projects as described in the Report of the Governing Body.

Accordingly, the College has a reasonable expectation based on the review of cash flow forecasts to 31 July 2025 that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income
Funding body recurrent grants are accounted for under the accruals model and are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget funding element is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end or by separate agreement between the college and the ESFA at the reporting period end date. Employer responsive grant income is recognised based on a year-end reconciliation of income claimed and actual delivery. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the ESFA or other bodies received in respect of the acquisition of fixed assets are accounted for under the accruals model and are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

The recurrent grant from the Office for Students ('OfS') represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent that the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

1 Accounting policies (continued)

Retirement benefits
Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit 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 Statement of Comprehensive Income. Differences between contributions payable and the contribution actually paid are shown as either accruals or prepayments.

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. 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 is included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Short Term Employment Benefits
The costs of short term employment benefits are recognised as a liability and an expense. The annual leave year runs to 31 August each year for staff meaning that, at the reporting date, there was an average of 18 days unused leave for staff. The cost of any unused entitlement is recognised in the period in which the employees' services are received.

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

Termination Benefits
The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the College is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings
Land and buildings are stated at cost (deemed cost for land held at valuation at the date of transition to FRS102) less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated. The estimated value of leasehold land is depreciated over the length of the lease. Freehold buildings are depreciated over their expected useful economic life to the College of between 40 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 50 years and more minor refurbishments or enhancements over a useful economic life of between 8 and 15 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

1 Accounting policies (continued)

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

Equipment
Equipment costing less than £1,000 per individual item is charged to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic life as follows:
Equipment: 3 – 8 years
Furniture and Fittings: 4 – 10 years

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

Intangible assets
Intangible assets comprise entirely of computer software and are capitalised at cost for items (or groups of items comprising one package) costing more than £1,000. Items below £1,000 are charged to the Statement of Comprehensive Income in the period of acquisition.

All assets are amortised over their useful economic life of between 4 – 8 years.

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. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases.

The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the Statement of Comprehensive Income in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

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

Stocks
Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Maintenance of premises
The cost of routine corrective maintenance is charged to the Statement of Comprehensive Income in the period that it is incurred.

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

Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

1 Accounting policies (continued)

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

Cash and cash equivalents
Cash includes cash in hand. Cash equivalents include sums on short-term deposits with recognised banks and building societies.

Financial instruments
The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments. Financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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

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

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

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

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

Agency arrangements
The College acts as an agent in the collection and payment of Bursary Support Funds. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in Note 22, except for up to 5% of the grant received which is available to the College to cover administration costs relating to the grant. The College employs the equivalent of one member of staff dedicated to the administration of Bursary Support Fund applications and payments.

Critical accounting judgements and estimation uncertainty
In preparing these financial statements, management have made the following judgements:

- To determine whether there are any indicators of impairment of the College's tangible and current assets, including debtors and loans. Factors taken into consideration in reaching such a decision include the future financial performance of the asset and its viability.
- The estimated value of land acquired under long leases. This takes into account advice from reputable companies and any historic market norms which can be used to assess this.

Other key sources of estimation uncertainty include:

- Tangible fixed assets are depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending upon a number of factors;
- The present value of the Local Government Pension Scheme defined benefit liability depends upon a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

2 Funding body grants	2023 £000	2022 £000
Recurrent grants		
Education and Skills Funding Agency - adult education budget	2,086	2,497
Education and Skills Funding Agency - 16-18	17,321	16,093
Education and Skills Funding Agency - apprenticeships	1,564	1,731
Greater London Authority - adult education budget	546	481
Office for Students - higher education	-	3
Other Funding Body	5,608	4,544
Specific grants		
Education and Skills Funding Agency - Covid Testing	-	18
Releases of government capital grants	1,293	803
	28,418	**26,170**

3 Total grant and fee income	2023 £000	2022 £000
Grant income from the OfS	-	3
Grant income from other bodies	28,418	26,167
Total grants	**28,418**	**26,170**
Fee income from taught awards	320	356
Fee income from non-qualifying courses	520	639
Total tuition fees and education contracts	**840**	**995**
Total grant and fee income	**29,258**	**27,165**

4 Other grants and contracts	2023 £000	2022 £000
Other grant income	184	63
Release of other deferred capital grants	116	121
	300	**184**

5 Other income	2023 £000	2022 £000
Creche income	529	552
Catering and conferences	30	19
Other income generating activities	88	97
Miscellaneous income	284	687
	931	**1,355**

Notes to the Financial Statements for year ended 31 July 2023 (continued)

6 Investment Income	2023 £000	2022 £000
Other investment income	654	26
Unwind of discounting on debtors due after one year	1,738	-
	2,392	**26**

7 Staff costs and key management personnel remuneration

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

	2023 Number	2022 Number
Teaching staff	241	268
Non teaching staff	196	198
	437	**466**

Staff costs for the above persons	2023 £000	2022 £000
Wages and salaries	9,936	9,781
Social security costs	895	868
Other pension costs	2,465	3,714
Payroll subtotal	**13,296**	**14,363**
Contracted out staffing services	1,538	736
Restructuring costs		
- Contractual payments	32	10
Total Staff Costs	**14,866**	**15,109**

Notes to the Financial Statements for year ended 31 July 2023 (continued)

7 Staff costs and key management personnel remuneration (continued)

Key Management are defined as the Principal and holders of the other senior posts whom the Governing Body or Principal has selected for the purposes of executive management of the College on a day to day basis. The posts are listed at the front of this report.

The number of key management personnel who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	Key Management Personnel	
	2023 Number	**2022 Number**
£ 0 to £ 5,000	1	-
£ 5,001 to £ 10,000	-	1
£ 10,001 to £ 15,000	2	-
£ 45,001 to £ 50,000	-	1
£ 55,001 to £ 60,000	1	2
£ 60,001 to £ 65,000	1	-
£ 75,001 to £ 80,000	1	-
£ 80,001 to £ 85,000	-	1
£ 85,001 to £ 90,000	1	1
£ 130,001 to £ 135,000	1	-
£ 145,001 to £ 150,000	-	1
	8	**7**

	2023 Number	**2022 Number**
The number of Key Management Personnel including the Principal was:	8	7

Their remuneration is made up as follows:	**2023 £'000**	**2022 £'000**
Salaries	445	476
Performance related pay	8	16
National insurance	57	62
Pension contributions	94	102
Total remuneration	**604**	**656**

The above remuneration includes the amount payable to the Accounting Officer (who is also the highest paid of key management personnel) as follows:

	2023 £'000	**2022 £'000**
Salaries	135	8
Pension contributions	32	2
Total remuneration	**167**	**10**

Notes to the Financial Statements for year ended 31 July 2023 (continued)

7 Staff costs and key management personnel remuneration (continued)

The pension contributions in respect of the Principal and key management personnel are in respect of employer's contributions to the respective pension schemes and are paid at the same rate as for other employees. No salary sacrifice schemes were in use for the Principal or key management personnel.

The benchmarks used to assess the remuneration of the accounting officer were reviewed by the College's Remuneration Committee in 2021-22, however no action was recommended following the Principal's appointment in July 2022. The accounting officer is not involved in setting their remuneration. The factors taken into account by the Committee in determining the accounting officer's remuneration include an assessment of market value in line with AoC Senior Pay Survey benchmarking data, previous increases and performance against both personal objectives and that of the organisation. A similar approach is used to determine the remuneration of other key management personnel.

The relationship of the Principal's pay and remuneration expressed as a multiple of all other employees based on full time equivalents is as follows:

	2023	2022
Principal's basic salary as a multiple of the median basic salary of all staff	5.2	5.6
Principal's total remuneration as a multiple of the median total remuneration of all staff	5.2	5.9

Total remuneration includes any and all performance related payments but excludes overtime. The median remuneration of staff includes staff on salaried contracts and excludes staff paid on an hourly basis as well as staff contracted in to work for the college via external agencies or companies.

Governors' remuneration

The members of the corporation other than the Principal 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. During the year £259 of governors expenses were paid (2022 - £527) in respect of travel and subsistence and other out of pocket expenses in the course of their duties.

8 Other Operating Expenses	**2023 £000**	**2022 £000**
Teaching costs	9,763	9,674
Non teaching costs	2,385	1,793
Premises costs	2,133	1,607
Total	**14,281**	**13,074**

Other operating expenses include:	**2023 £000**	**2022 £000**
Auditors' remuneration:		
Financial statements auditor	41	39
Internal audit	10	11
Other services provided by financial statements auditor	9	2
Losses on disposal of non-current assets	3	-
Inventory recognised as expense	49	39
Operating lease rentals	140	152

Notes to the Financial Statements for year ended 31 July 2023 (continued)

9 Interest Payable and other finance costs	2023 £000	2022 £000
On bank loans, overdrafts and other loans:		
Repayable wholly or partly in more than 5 years	-	327
	-	327
Pension finance costs:		
Local Government Pension Scheme (note 19)	291	498
Enhanced pensions (note 17)	5	3
Total	**296**	**828**

10 Taxation	2023 £000	2022 £000
Total	**-**	**-**

The College is not liable for any corporation tax arising out of its activities during both the current and prior years.

11 Tangible Fixed Assets	Land and Buildings Freehold	Land and Buildings Leasehold	Equipment	Furniture	Assets in courses of construction	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 1 August 2022	56,519	-	5,600	719	-	62,838
Additions	3,286	940	672	15	1,633	6,546
Disposals	-	-	(6)	-	-	(6)
At 31 July 2023	**59,805**	**940**	**6,266**	**734**	**1,633**	**69,378**
Depreciation						
At 1 August 2022	21,749	-	3,987	596	-	26,332
Charge for year	1,674	3	618	25	-	2,320
Elimination in respect of disposals	-	-	(3)	-	-	(3)
At 31 July 2023	**23,423**	**3**	**4,602**	**621**	**-**	**28,649**
Net book value at 31 July 2023	**36,382**	**937**	**1,664**	**113**	**1,633**	**40,729**
Net book value at 31 July 2022	34,770	-	1,613	123	-	36,506

Land and buildings were valued in 1998 by Sidleys, Chartered Surveyors. The base of valuation was as follows:
Aylesbury (Oxford Road) Site - Valued on an open market basis
Amersham (Stanley Hill) Site - Valued on an open market basis
Wycombe (Flackwell Heath) Site - Valued on an open market basis

The new campus project in High Wycombe comprises a freehold land purchase, a leasehold land asset for 125 years and Assets Under Construction that are the capital works required to bring the new campus into operation. The value of works Under Construction will increase over time and be moved into the relevant category when the campus is brought into use (expected to be in the 2025/26 financial year).

Notes to the Financial Statements for year ended 31 July 2023 (continued)

12 Intangible Fixed Assets	IT Software £000
Cost	
At 1 August 2022	486
At 31 July 2023	**486**
Amortisation	
At 1 August 2022	362
Charge for year	44
At 31 July 2023	**406**
Net book value at 31 July 2023	**80**
Net book value at 31 July 2022	124

Notes to the Financial Statements for year ended 31 July 2023 (continued)

13 Debtors	2023 £000	2022 £000
Amounts falling due within one year:		
Trade debtors	6,273	7,884
Prepayments and accrued income	1,359	1,361
Amounts owed by the ESFA	845	13
Total	**8,477**	**9,258**

14 Creditors: Amounts Falling Due Within One Year	2023 £000	2022 £000
Trade creditors	132	193
Other taxation and social security	6	12,410
Accruals and deferred income	4,402	2,541
Amounts owed to the ESFA	2,059	991
Deferred Capital Grants	688	584
Leasehold land obligations	7	-
Total	**7,294**	**16,719**

15 Creditors: Amounts Falling Due After More Than One Year	2023 £000	2022 £000
Deferred Capital Grants	10,117	8,011
Leasehold land obligations	930	-
Total	**11,047**	**8,011**

16 Maturity of Debt	2023 £000	2022 £000
The net finance lease obligations to which the College is committed are:		
In one year or less	7	-
Between two and five years	30	-
In five years or more	900	-
	937	**-**

Notes to the Financial Statements for year ended 31 July 2023 (continued)

17 Provisions for Liabilities

	Pension Liability (note 19)	Enhanced Pension	Total
	£000	£000	£000
At 1 August 2022	(9,108)	(163)	(31,808)
Cost transferred to Statement of Comprehensive Income:			
Interest cost	(291)	(5)	(296)
FRS 102 (28) Employer Service Charge less Employer Contribution	(525)	-	(525)
Actuarial gain / (loss)	9,924	51	9,975
At 31 July 2023	**-**	**(117)**	**(22,654)**

The enhanced pension provision relates to the cost of staff who have already left the College's employment and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated using the enhanced pension provision spread sheet provided by the Education and Skills Funding Agency.

18 Consolidated analysis of changes in net funds

	At 1 August 2022	Cash flows	At 31 July 2023
	£000	£000	£000
Cash at bank and in hand	30,712	(3,528)	27,184
Net funds	**30,712**	**(3,528)**	**27,184**

19 Pension and similar obligations

The College's employees belong to two principal pension schemes – the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Buckinghamshire Council. Both are multi-employer defined benefit schemes.

		2023		2022
		£000		£000
Teachers' Pension Scheme: contributions paid		844		874
Local Government Pension Scheme:				
Contributions paid	1,096		1,044	
FRS 102 (28) Charge	525		1,796	
Charge to the Statement of Comprehensive Income (staff costs)		1,621		2,840
Total Pension Cost for Year within staff costs		**2,465**		**3,714**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and the LGPS 31 March 2022. At the balance sheet date the College had paid its contributions for the month of July 2023.

Teachers' Pension Scheme

The Teachers' Pension Scheme is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme
Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014, except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges are pending. The valuation report was published by the Department for Education (DfE) in April 2019. The key results of the valuation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £198 billion
- 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, an increase from the previous rate of 16.48%. The DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2022/23 academic year. The next valuation result is due to be implemented from 1 April 2024. The pension costs paid to TPS in the year amounted to £844,000 (2022: £874,000).

Local Government Pension Scheme
The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by Buckinghamshire Council. The total contributions made for the year ended 31 July 2023 were £1,398,000, of which employer's contributions totalled £1,096,000 and employees' contributions totalled £302,000. The agreed contribution rates for the employer for future years are 21.0% and additional payments for past service liability where required. Employee contribution rate ranges from 5.5% to 9.9%, depending on salary. Of the total contribution paid, £153,000 was made by the employer in respect of past service liability, the duration of which is estimated by the pension actuary to be 23 years.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.85%	3.80%
Future pensions increases	2.85%	2.80%
Discount rate for scheme liabilities	5.15%	3.40%
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 on retirement age 65 are:

Retiring today	At 31 July 2023	At 31 July 2022
Males	20.7	21.0
Females	24.3	24.5
Retiring in 20 years		
Males	22.0	22.3
Females	25.7	26.0

Notes to the Financial Statements for year ended 31 July 2023 (continued)

19 Pension and similar obligations (continued)

The assets in the scheme were:

	Value at 31 July 2023 £000	Value at 31 July 2022 £000
Equities	21,145	20,451
Gilts	2,783	3,236
Bonds	3,675	5,013
Property	2,000	2,431
Cash	428	1,050
Other	6,923	4,976
Total market value of assets	**36,954**	**37,157**
Actual (loss) / return on plan assets	**(26)**	**(1,671)**

Amounts recognised in the Statement of Comprehensive Income	**2023 £000**	**2022 £000**
Employer service cost (net of employee contributions)	1,621	2,840
Total operating charge	1,621	2,840

Analysis of pension finance costs	**2023 £000**	**2022 £000**
Expected return on pension scheme assets	(1,261)	(625)
Interest on pension liabilities	1,552	1,123
Pension finance costs	291	498

Amount recognised in Other Comprehensive Income	**2023 £000**	**2022 £000**
Actual return less expected return on pension scheme assets	(1,322)	(2,325)
Experience (loss) / gains arising on the scheme liabilities	(5,445)	(162)
Change in financial and demographic assumptions underlying the scheme liabilities	17,516	27,291
FRS102 asset ceiling	(825)	-
Amount recognised in Other Comprehensive Income	**9,924**	**24,804**

Acturial report

The actuarial report for the Local Government Pension Scheme at 31 July 2023 shows an actuarial gain which has resulted in a pension asset at the same date.
The College has not recognised the pension asset as a positive position but has instead shown a breakeven position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments. As assets should only be recognised to the extent that the College is able to recover the surplus either through reduced contributions in the future or refunds from the plan.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

19 Pension and similar obligations (continued)

Movement in net benefit asset/(liability) during year	**2023 £000**	**2022 £000**
Net defined benefit asset/(liability) in scheme at 1 August 2022	(9,108)	(31,618)
Movement in year:		
Current service cost	(1,621)	(2,840)
Employer contributions	1,096	1,044
Net interest	(291)	(498)
Actuarial gain/(loss)	10,749	24,804
Net defined benefit asset/(liability) in scheme at 31 July 2023	**825**	**(9,108)**

Asset and Liability Reconciliation	**2023 £000**	**2022 £000**
Reconciliation of Liabilities		
Liabilities at start of period	46,265	70,945
Current service cost	1,621	2,840
Interest cost	1,552	1,123
Employee contributions	302	278
Experience loss / (gains) on scheme liabilities	5,445	162
Changes in financial assumptions	(17,516)	(27,292)
Benefits paid	(1,540)	(1,791)
Liabilities at end of period	**36,129**	**46,265**
Reconciliation of Assets		
Assets at start of period	37,157	39,327
Interest on assets	1,261	625
Administration expenses	(34)	(29)
Return on assets	(1,287)	(2,296)
Employer contributions	1,096	1,044
Employee contributions	302	278
Benefits paid	(1,541)	(1,792)
Assets at end of period	**36,954**	**37,157**

Notes to the Financial Statements for year ended 31 July 2023 (continued)

20 Financial Commitments

At 31 July, total commitments under non-cancellable operating leases were as follows:

As a Lessee	2023 £000	2022 £000
Other:-		
Expiring within one year	82	84
Expiring within two and five years inclusive	25	43
	107	127

As a Lessor	2023 £000	2022 £000
Other:-		
Expiring within one year	5	5
Expiring within two and five years inclusive	19	19
Expiring in over five years	37	42
	61	66

Acting as a lessor, the commitments represent the lease of land to Buckinghamshire Council that has been used to build the College's childcare centre on, along with other childcare facilities.

21 Related Party Transactions

In respect of related parties, the transactions during the year were as follows:

	2023 £000	2022 £000
Aylesbury UTC - expenses recognised as part of Other Operating Expenses	-	10
Missenden Abbey - expenses recognised as part of Other Operating Expenses	5	4
The Pace Centre - income recognised as part of Other income	1	1
Amounts owed by Aylesbury UTC	-	2

Aylesbury UTC joined a multi academy trust on 1 November 2021 and the College is no longer represented on its governing body and so it is no longer a related party.

In respect of all other transactions, due 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 an organisation in which a member of the board of governors may have an interest are conducted in accordance with the College's financial regulations and normal procurement procedures. Key management compensation disclosure is given in note 7.

Notes to the Financial Statements for year ended 31 July 2023 (continued)

22 Amounts Disbursed as Agent - learner support funds	2023 £000	2022 £000
Access Funds		
Funding Body Grants - 16-19 bursary support	198	173
Funding Body Grants - Other bursary support	151	166
	349	339
Disbursed to students	(284)	(317)
Administration costs	(12)	(14)
Balance unspent as at 31 July, included in creditors	53	7

Funding Body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income. The College expects to reimbursement any unspent balance to the funding authority on an annual basis.

23 Disclosure in Respect of Managing Public Money

As a consequence of the decision to classify the further education college sector to central government, the College is required to adhere to the requirements set out in HM Treasury's publication 'Managing Public Money' (MPM). In order to assist the further education sector, the DfE subsequently produced a number of guides to clarify the delegated authority that colleges had under MPM and where it would be necessary to seek further approval from the DfE for transactions outside of this delegated authority.

The DfE has set out the need for potential approval of the following items:

- Asset disposals;
- Write offs and losses;
- Special severance or compensation payments;
- Novel, contentious or repercussive transactions;
- The provision of indemnities, guarantees or letters of comfort.

For the 2022/23 financial year:

- Where limited delegated authority limits were set out by the DfE, the College did not breach any of those limits and therefore no approval was required; and
- Where in some cases no delegated authority was given by the DfE, the College did not have any transactions of that nature and therefore no approval was required.

The College's financial regulations were amended in the year to include the limits of delegated authority set out by the DfE.

24 Events after the Reporting Period

In support of the new campus project in High Wycombe, the College has reached agreement with the owners of 45-47 Oxford Road to purchase the freehold for the sum of £2.0m. This property adjoins the College's land purchased in the 2022/23 year and will assist the College with the construction of the new campus and also provide options for the enhancement of the development.

This transaction is expected to exchange in December 2023 and complete in January 2024.