

Capel Manor College

Annual Report and Financial Statements For the year ended 31 July 2023



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Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel are defined as the members of the Senior Leadership Team and were represented by the following in 2022-23 and up to the date of this report.

Peter Brammall - Principal, Chief Executive and Accounting Officer from 10 April 2023
 Christine Bianchin – Interim Principal and Accounting Officer until 9 April 2023
 Paul Smith - Deputy Principal, Finance & Resources from 1 March 2023
 Denise Cheng-Carter – Interim Executive Director of Finance & IT until 28 February 2023
 James Bryan - Executive Director of HR & Central Services
 Denise Lloyd- Interim Vice Principal from 15 August 2022
 David Scott- Executive Director of Estate & Facilities until 28 February 2023

Board of Governors

A full list of Governors is given on pages 16 to 19 of these financial statements.

Joanne Coffey was Clerk to the Corporation for the year.

Professional Advisers

Financial Statements and Regularity Auditors

Buzzacott LLP
 130 Wood Street
 London
 EC2V 6DL

Internal Auditors

Scrutton Bland
 Fitzroy House
 Crown Street
 Ipswich
 Suffolk
 IP1 3LG

Solicitors

Duffield Harrison
 Rathmore House
 56 High Street
 Hoddesdon
 Herts.
 EN11 8EX

Bankers

Bank of Scotland PLC
 300 Lawn Market
 Royal Mile
 Edinburgh
 EN1 2PH

Clydesdale Bank PLC
 88 Wood Street
 London
 EC2V 7QQ

Barclays Bank PLC
 1 Churchill Place
 London
 E15 HHP

Lloyds Bank PLC
 25 Gresham Street
 London
 EC2V 7HN

Objectives and Strategy

The Corporation presents its annual report and 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 Capel Manor College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the exempt charity, are disclosed on pages 16 to 19.

The Corporation was incorporated as Capel Manor Horticultural and Environmental Centre. The Secretary of State granted consent to the Corporation to change the College's name to Capel Manor College.

Mission, Vision, Strategy and Objectives

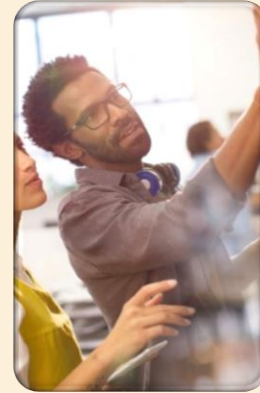
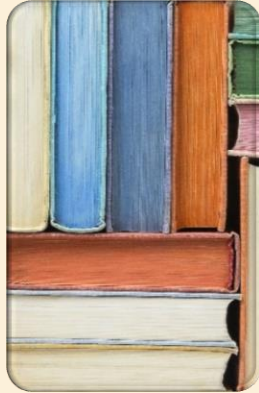
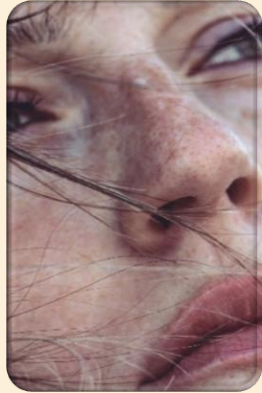
Capel Manor College is a specialist land-based college, with its main campus in Enfield and four other centres across London. The College is the largest and the only specialist land-based, environmental training provider in London.

The College offers a range of full and part-time courses in further and higher education for school leavers and adults. In 2022/23 there were 2,968 students, including 974 16-18 learners. These learners are on study programmes in subjects including: horticulture, landscaping, arboriculture, environmental conservation, floristry, animal management and saddlery.

Our mission is to support the environment and green skills in London.

Our vision is for an environmentally, economically and socially sustainable future for our students.

Capel Manor College Strategic Objectives



Remain a confident, aspirational, inspirational, and consistently outstanding college making learning opportunities accessible to all Londoners.

Equip our students with the knowledge, practical skills and personal behaviours needed to fulfil worthwhile careers and individual development and promote productivity and economic wellbeing.

Engage in environmentally sound and financially sustainable management of green space, farms, animal collections and related businesses, for the benefit of the public, and education.

Provide outstanding resources, education and training activities that we manage sustainably and considerately, with nature and the climate in mind.

Support lifelong learning to enhance individuals' prospects and social mobility via clear and sustainable pathways from entry to advanced levels of study leading to rewarding careers.

Actively seek the views of employers, students and other organisations to remain responsive and current and maintain strong partnerships and collaborative ventures locally, nationally and internationally.

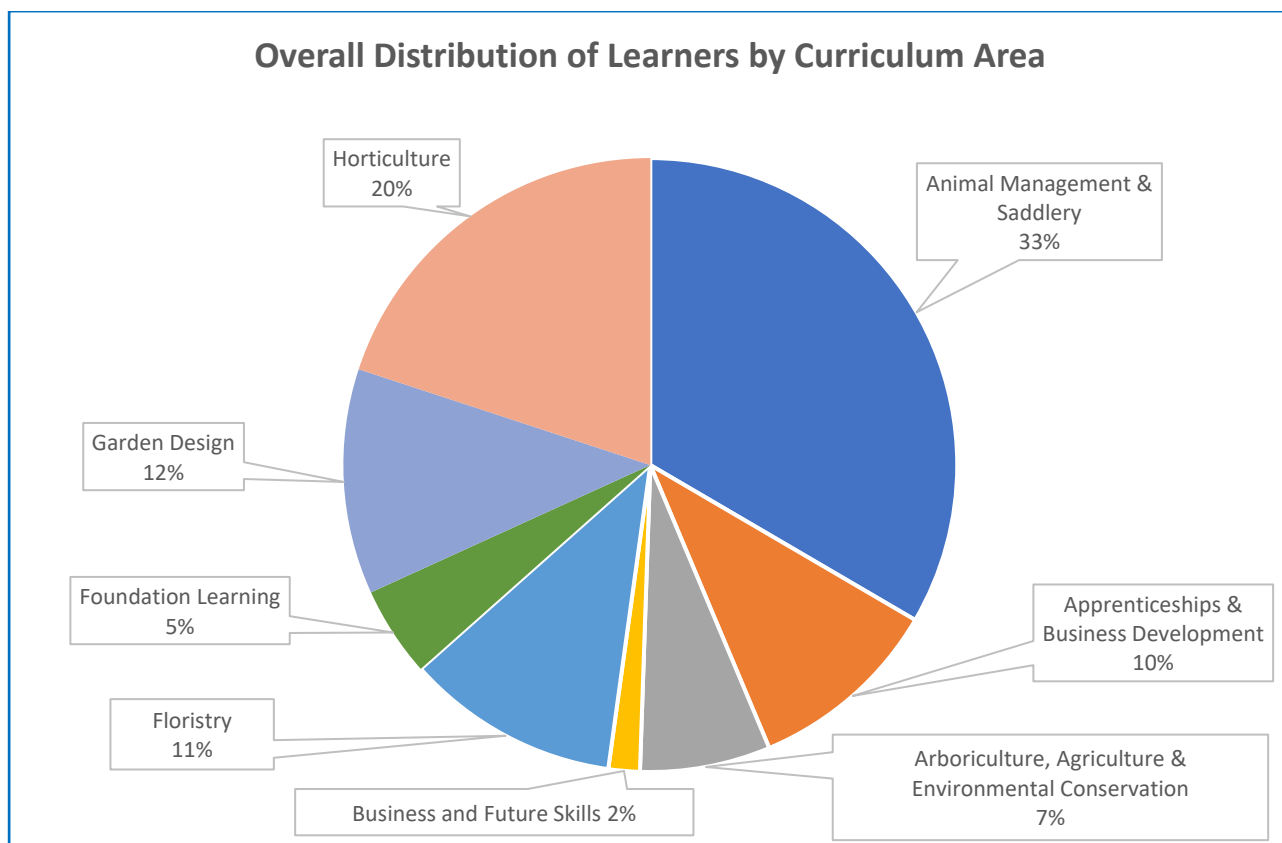
Lead on equality, diversity and inclusion to be truly representative of the diversity of London, embracing and promoting inclusivity in land-based careers.

Resources

The College employs approximately 318 people (expressed as 272 full time equivalent); of whom 114 are teaching staff (expressed as 102 full time equivalent staff). We value all who work for Capel Manor and the contribution we collectively make to furthering our mission and vision and upholding our values.

Capel Manor College enrolled 2,968 learners, studying on the College’s five campuses and via workplace learning. The overall achievement rate for FE learners for all ages was 87%, representing an 11% increase on the previous year.

Our overall learners by curriculum area are as follows:



The proportion of our learners with declared disabilities was 25.0% and the proportion of learners with declared learning difficulties was 21.5%. The College’s Black, Asian and Mixed Ethnicity (BAME) is 37.1%. This is one of the best diversity ratios for any land-based college. The College is actively seeking an even better diversity representation through policies, practices and marketing.

The College has a history of strong financial performance. This supports the continued delivery of specialist provision on a sustainable basis.

As London’s only specialist environmental College, we have a significant economic impact in the London Boroughs and deliver a wide range of qualifications, from Entry to Degree Levels, including employer responsive provision for apprenticeships.

The College recruits regionally and nationally and has a strong brand and reputation for delivering land-based vocational education.

To support our sustainable future, the College delivers several successful commercial enterprises integrated into our specialisms, which not only contribute to our income but also provide added value for our students. These include the College’s own 200-acre estates.

We work in close partnerships with world-class partners across our specialisms, including the Royal Parks, City of London, Royal Botanical Garden (Kew), The Zoological Society – London

(ZSL), The Royal Horticultural Society and the Peabody Group, to name a few of our key employers.

The College was Ofsted rated as 'Requires Improvement' overall, after a full inspection in May 2023. The College's work with adult students, which reflects 60% of enrolments, was recognised as 'Good'. This assessment was consistent with the College's own self-assessment in autumn 2022. Inspectors recognised the positive work taking place in a number of areas to make improvements. Subsequent to the Ofsted visit, the improvements have resulted in a significant uplift in year-end achievement results, with young and adult students achieving results that sit above the national average.

Stakeholder Relationships

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

- Students and staff;
- Education sector funding bodies;
- Employers;
- Local authorities, Government Offices/ Regional Development Agencies/LEPs;
- Local communities;
- Other Further Education institutions;
- Professional bodies;
- The Greater London Authority;
- Higher Education Institutions;
- The Livery companies of London;
- NGO's and other regulatory authorities.

The College recognises the importance of these relationships and engages in regular communication with them through the College internet site and by meetings.

Public Benefit

Capel Manor College is an exempt charity under Part 3 of the Charities Act 2011.

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 and training:

- Providing education and training to future workers in the crucial area of the environment, as affected by climate change
- Providing opportunity for personal and professional development through widening participation, tackling social exclusion and social mobility
- Providing outstanding learning and student experiences
- Supporting transition into employment or progression to higher study
- Maintaining excellent links with employers, industry and commerce to provide a voice of industry and enhance student opportunity
- Providing publicly accessible greenspace and amenities for local communities
- Maintaining strong links with the Greater London Authority to support the green economy in London

Sustainability

Capel Manor aspires to be a green employer as well as placing biodiversity, sustainability and climate change mitigation central to our provision. Our Charter for the environment and sustainability sets ambitious and attainable targets for our own response to climate change including our desire to be at least net zero emissions no later than 2030.

We are also seeking to:

- establish, and meet, our own ambitious targets and progress measures for responding to climate change, to guide our journey to a net zero position
- use our knowledge, skills and resources to protect and conserve the landscape and natural resources we own and manage, for the benefit of people, wildlife and the wider environment in London
- work with others to build sustainable futures for the natural environment
- engage students and the community at every reasonable opportunity to develop the future workforce and volunteers needed to preserve and enhance the natural world for future generations
- seek ways to improve the carbon literacy, the awareness of environmental impact and the ways to reduce emissions, amongst the College community and our stakeholders

Financial Objectives

Maintaining a sound financial position and wellbeing continues to be a key strategic priority for the College to ensure that it:

- has an adequate level of resources
- is able to generate sufficient funds to provide for on-going investment; and
- retains the confidence of its funding bodies, bankers and other key stakeholders.

The College’s financial objectives are:

- to achieve an annual operating surplus
- to pursue alternative sources of funding, on a selective basis, consistent with the College’s strategic objectives to maintain its independent status
- to generate sufficient levels of income to support and enhance the asset base of the College
- to further improve the College’s shorter-term liquidity

Performance Indicators

A series of performance indicators have been agreed to monitor the successful implementation of the financial objectives.

Key Performance Indicator	Measure/Target	Actual for 2022/23
EBITDA as % of income	≥ 6%	1.4%
Staff costs as a % of income (before FRS 102 pension adjustments)	≤ 70%	68.7%
Operating cash flow	> 0	£3,636k
Liquidity (adjusted current ratio)	≥ 2.5:1	2.2:1
Total borrowing as a % of income	≤ 4%	0%
Adjusted cash days in hand	≥ 30	160 days
Operating surplus/(deficit) as % of income	>0	(0.48%)
Financial Health Score	Good	Good

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website and looks at measures such as achievement rates.

The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The College is assessed by the ESFA and has a 'Good' financial health grading.

Financial Position

Financial review

The Group generated a loss before other gains and losses in the year of £731k (2021-22: loss £1,680k), with total comprehensive income of £1,717k (2021-22 £8,382k). The loss is stated after charging an FRS 102 pension charge of £640k (2021-22: £1,803k).

The College has significant reliance on the education sector funding bodies for its principal funding, largely from recurrent grants. In 2022-23 the FE funding bodies provided 83% (2021-22: 78%) of the College's total income.

At 31 July 2023, the College has net current assets of £4,200k, including cash and short-term investment balances of £8,129k and no long-term debt. The group wishes to continue to accumulate reserves and cash balances in order to reinvest in its current operations and fund future development opportunities as they arise.

The group's reserves increased in the year by £1,717k (2021-22: increased by £8,382k). This arises from the loss of £731k (2021-22: loss of £1,680k) and a net actuarial gain of £2,448k (Enfield LGPS gain £2,335k; Kent LGPS gain £113k); (2021-22: total actuarial gain of £10,062 – Enfield LGPS gain £9,752k, Kent LGPS gain £310k).

The College's capital plans involve a £9m investment (66% funded by a GLA grant) for two new buildings at the Mottingham campus delivering 13 new teaching spaces. This project is in progress with an expected completion date of autumn 2024.

Tangible fixed asset additions during the year amounted to £1,187k (note 10). This was split between freehold land and buildings: £271k, assets under construction: £387k, leasehold property: £6k and equipment: £523k.

The group accounts incorporate the results of Forty Hall Community Vineyard Limited and the balance sheet of Capel Manor Limited (note 11), noting that Capel Manor Limited was dormant during 2022-23.

Treasury policies and objectives

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

Cash flows and liquidity

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

The group made a net cash outflow of £1,840k (2021-22: inflow of £4k) in the year (Consolidated Statement of Cash Flows). This is due to capital investments, noting that operating cashflow is positive.

Reserves Policy

The group has positive reserves of £9,330k. As part of its normal finance control, the College seeks to hold liquid reserves equivalent to three months trading. Presently, this would normally equate to a reserve of £4.8m.

It is the Corporation's intention to increase reserves through the generation of annual operating surpluses.

Current and Future Development

Student Numbers

In 2022/23, the College has delivered activities that have generated £14,612k in funding body main allocation (2021-22 £14,226k). The College delivered to 974 16–18 year-olds, 50 less than the 1,024 contracted for. This, together with the profile of curriculum for those learners with high needs, reduced the funding allocation for 2023-24 to 963 learners through the lagged funding methodology.

Curriculum Achievements

The overall student achievement rate for 2022-23 was 86.9%.

Curriculum Developments

Most students are offered the opportunity to achieve additional qualifications to boost their employability. This includes an increased emphasis on maths and English GCSE's. Following the pandemic, the need to support students with mental health issues has increased and the College is working hard to support learners and ensure they catch up or make good on any learning lost.

The College recognises the importance of the environment and greenspace in London both now, and in the future and the role the College has to play in supporting the environment and those working in the environment and land-based sector.

The College is seeking to grow through increasing student numbers and in particular the provision for 16–18 year-olds, Apprenticeships and Higher Education. The College continues to have a productive relationship with the Royal Agricultural University.

The College is planning a full curriculum review involving stakeholders with employer representations in each curriculum area. This will inform the curriculum plan, with regular updates provided to the Corporation. The College is set to offer T-levels in Animal Care and Management in September 2024.

The College has continued to explore the development of partnerships to serve the London Boroughs. These include partnering delivery in the West London and Local London Green Strategic Development Funds (SDF). The SDF is aimed at developing collaboration between FE providers and achieving closer alignment and coordination across activities that individual providers undertake, examining how respective offers overlap or complement each other.

The College has been successful in its application to deliver up to £431k of the GLA (Greater London Authority) 'Multiply' programme from 2022-23 to 2024-25. This is a national numeracy programme, which aims to give people who do not have at least a GCSE grade C4 or equivalent in maths, access to free courses to improve their numeracy skills. This is a significant opportunity to improve maths skills for Londoners and to try and work more flexibly and creatively.

Premises and estates

The College operates five campuses across London; Enfield and Forty Hall Farm, Mottingham, Crystal Palace Park, Regents Park and Gunnersbury Park.

Enfield is the largest (34 acres) and oldest of the centres and is the hub of the College. Forty Hall Farm lies within two miles of the Enfield campus and is a growing, organically run 150 acre farm, vineyard and market garden.

Legal title to the 9.35 acre freehold land and buildings on the Hadlow Mottingham campus was transferred to the College on 1 January 2020.

The College leases its other sites in Crystal Palace Park, Regents Park, Gunnersbury Park.

To improve operational and financial efficiency learning delivery at Brooks Farm ceased during 2022/23. Learning at this site was transferred and consolidated into the other campuses.

The College has embarked on a project to construct two new buildings at its Mottingham campus. These will deliver increased space and improved facilities with a projected cost of £9m. The project is fully financed by grant funding from the Greater London Authority (£6m) and the Department for Education via the T levels Capital Fund (£1.1m) and the Further Education Capital Transformation Fund (£1.9m).

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the 2022-23 accounting year, the College paid 96 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Reputation

The College has a good reputation for practical vocational training both regionally and nationally. Its unique model of education and training embedded in real-world experiences and fundamentally linked to employers is increasingly well known.

Events after the end of the reporting period

There have been no significant events after the end of the reporting period.

Principal Risks and Uncertainties

The College's risk management strategy reflects the Corporation's risk appetite, changes in the risks facing the College, and where possible, the actions we take to mitigate the possibility of these risks damaging the College.

The College utilises the internal audit system and encourages good communications with its staff and stakeholders to further develop systems to protect the College's assets and reputation.

In addition to our detailed risk register, we constantly review the following College-wide risks to ensure that we remain as current and responsive to risk as possible.

The risk register highlights the following four elevated principal risks, with mitigation responses outlined below:

1. Insufficient student recruitment and grant funding to support the curriculum
 - Strategic and income related target setting
 - Key Performance Indicators
 - Marketing and enrolment review meetings
 - Marketing strategy
 - Provider Data Self-Assessment Tool (PDSAT) validation of Individual Learning Records
 - Internal audit
2. A failure to maintain an appropriate workforce, and organisational structure
 - Key Performance Indicators
 - Internal audit
 - Workforce / organisational development

- Equality and diversity committee
 - Business planning
 - Change management
 - Regular reviews/surveys
 - Network resilience
 - Flexible work patterns
 - Performance review and development
 - Safety culture and working groups
 - Occupational health and welfare programmes
 - General Data Protection
3. A failure to diversify income, control costs or provide sufficient income from other sources
- Strategic and income related target setting
 - Key Performance Indicators
 - Marketing review meetings
 - External and regulatory audits
 - Internal audit
 - External project management of capital programmes
 - Financial regulations
 - Staff development
 - Business planning
 - Commercial digitisation
4. A failure to maintain appropriate assets, estates, infrastructure and facilities to support the curriculum and business development
- Internal audit
 - Health and safety committee
 - Key Performance Indicators
 - Space and occupancy surveys
 - Staff surveys
 - Student surveys
 - Customer surveys
 - Firewalls
 - Cloud-based systems and managed services
 - Resilient and distributed network structures
 - Staff development
 - Business planning
 - Cyber-security / anti-fraud measures / Cyber essentials

Equality and Diversity and Inclusion Policy

The College is committed to ensuring equality of opportunity for all its students, staff and the broader community which it serves. We welcome, celebrate and value the diversity of our learning community and seek to promote an inclusive learning and working environment where everyone can achieve to their full potential.

The College respects and values the diversity of students and staff who share different aspects of their identity, for example in terms of their race and ethnicity, gender, sexual orientation, gender reassignment, religion and belief, disability or marital/civil partnership, socio-economic status and age. The College aims to ensure Equality, Diversity and Inclusion is reflected through the curriculum, enrichment activities and the range of direct and indirect student support services.

The College publishes Annual Equality Diversity reports and has an Equality, Diversity and Inclusion working group to ensure compliance with the relevant specific equality duties outlined in the Equality Act 2010. The College also undertakes equality impact assessments on new policies and procedures. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

Disability statement

The College has achieved Level 1 of the Employers 'Disability Confident Committed' award and has committed to the principles and objectives of the Positive about Disabled People standard.

The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College is committed to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities for everyone.

The College is making a formal commitment to achieve the 'Mindful Employer' charter to assist the mental health wellbeing of staff. The College provides mandatory Equality, Diversity and Inclusion training for all new starters and forms part of the induction training.

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

- a) The College has appointed staff who provide information, advice and arrange support where necessary for students with disabilities/learning difficulties.
- b) There is a range of specialist equipment, e.g. hearing loops which the College can make available for use by students alongside a range of various assistive technology.
- c) The College will appoint specialist staff to support students with learning difficulties and/or disabilities when required. There are a number of student support assistants who can provide a variety of support for learning.
- d) The College offers staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- e) Counselling and welfare services are described in the student handbook, which is also available to students together with details on our additional learning support services which are covered as part of induction and at other times throughout the year.

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. During the period 1 August 2022 to 31 July 2023 the College did not have any representatives and thus no time was incurred.

Going Concern

The College has considered its anticipated future income and expenditure streams and their subsequent impact on the Balance Sheet. Taking all known risks and uncertainties of the Further Education sector into account and comparing these against the many opportunities of the national and local green agenda that are emerging, underpinned by the strength of the College Balance Sheet and its ability to make sound strategic decisions and adapt accordingly, the College is satisfied that it continues as a going concern. This is supported by producing regular monthly management information including management accounts and updated cashflow forecasts.

The College has cash and short-term deposits of £8,129k, net current assets of £4,200k, no debt and net assets of £9,330k.

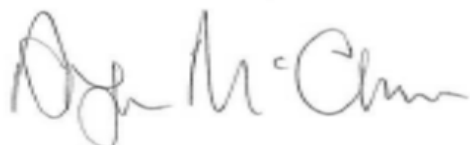
Cash flow projections show the College to be able to meet its debts as they fall due during the period of 12 months from the date of approval of these financial statements. College management plan to generate surpluses from the current and future expansion of the student population to fund the business and its liabilities.

After making appropriate enquiries, the Governing Body considers that the College has adequate resources to continue in operational existence for the foreseeable future with sensitivity analysis performed to assess short-term cash demands. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of Information to the Auditor

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's 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 13 December 2023 and signed on their behalf by:



Roger McClure
Chair of Governors

13 December 2023

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:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English; and
- iii. having due regard to the UK Corporate Governance Code as far as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and 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 (latest update September 2021), which it formally adopted on 28 March 2017. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the 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.

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

The Corporation

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

Governors serving on the College Board during 2022-23						
Name	Date of Appointment: (A) Re-Appointment(s): (B), (C), (D), (E), (F), (G)¹	Term of office	Date of end of service	Method of appointment	Committees served	Corporation meeting attendance
Paulina Balogun	(A) 14 July 2021	4 years	Leave of absence April-July 2023	Governing Body	<ul style="list-style-type: none"> • Corporation • Finance and Resources • Academic (Observer) 	1/2
Dr Heather Barrett-Mold OBE	(A) Appointed at the end of the summer term 25 March 2015 (B) 3 April 2019 (C) 29 March 2023	4 years 4 years 4 years		Governing Body	<ul style="list-style-type: none"> • Corporation (Vice Chair) • Academic • Search, Governance and Remuneration • Strategy • Finance and Resources 	4/5
Peter Brammall	(A) 10 April 2023	Ongoing		Principal	All Committees except Audit, Strategy and Remuneration	2/2
Christine Bianchin	(A) 30 March 2022	Ongoing	Resigned 9 April 2023	Principal	All Committees except Audit, Strategy and Remuneration	2/3
Dr Sheila Cunningham	(A) 21 April 2020	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Academic 	1/5
Dr Beryl De Souza	(A) 2 April 2012 (B) 22 March 2016 (C) 3 April 2019	4 years 3 years 4 years	Retired 9 April 2023	Governing Body	<ul style="list-style-type: none"> • Corporation • Estates 	3/3
Dr Darrell DeSouza	(A) 17 May 2023	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Audit • Academic 	1/1
Peter Doble	(A) 12 December 2018 (B) 14 December 2022	4 years 1 year		Governing Body	<ul style="list-style-type: none"> • Corporation • Finance and Resources • Strategy • Estates 	4/5

Governors serving on the College Board during 2022-23						
Name	Date of Appointment: (A) Re-Appointment(s): (B), (C), (D), (E), (F), (G)¹	Term of office	Date of end of service	Method of appointment	Committees served	Corporation meeting attendance
Rosie Evans	(A) 21 October 2021 (B) 13 June 2022	1 year 1 year	12 July 2023	Student Governor Panel ²	<ul style="list-style-type: none"> • Corporation • Academic • Estates 	0/5
Lorna Fitzjohn	(A) 28 September 2022	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Academic • Finance and Resources 	4/4
Cassandra Fox	(A) 21 October 2022	1 year		Student Governor Panel ²	<ul style="list-style-type: none"> • Corporation • Academic • Estates 	2/4
John Gayer	(A) 11 February 2021	4 years	Retired 25 October 2022	Governing Body	<ul style="list-style-type: none"> • Corporation • Estates • Finance and Resources 	1/1
Bradley Hannigan	(A) 13 June 2022	1 year	12 July 2023	Student Governor Panel ²	<ul style="list-style-type: none"> • Corporation • Academic • Estates 	0/4
Guy Jones-Owen	(A) 28 March 2018 (B) 30 March 2022	4 years 4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Audit 	3/5
Joanne Laban	(A) 11 December 2019	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation 	3/5
Alex Lane	(A) 15 December 2021	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Audit 	5/5
Mei Lim	(A) 14 December 2022	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Finance and Resources 	2/3
Ralph Luck OBE	(A) 31 March 2021	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Estates • Strategy 	3/5

Governors serving on the College Board during 2022-23						
Name	Date of Appointment: (A) Re-Appointment(s): (B), (C), (D), (E), (F), (G)¹	Term of office	Date of end of service	Method of appointment	Committees served	Corporation meeting attendance
Roger McClure	(A) 30 June 2016 (B) 15 July 2020	4 years 4 years		Governing Body	<ul style="list-style-type: none"> • Corporation (Chair) • Finance and Resources • Search, Governance and Remuneration • Academic (Observer) • Strategy • Estates 	5/5
Heather Marks	(A) 15 December 2021	4 years	Leave of absence April-July 2023	Governing Body	<ul style="list-style-type: none"> • Corporation • Academic 	0/2
Sarah Moreland	(A) 16 December 2020	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Estates • Academic 	3/5
Joanne Roxburgh	(A) 17 May 2023	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation (Chair Designate) • Finance and Resources • Search, Governance and Remuneration • Academic (Observer) • Strategy • Estates 	1/1
Sarah Seery	(A) 17 July 2019 (B) 14 July 2021	2 years 2 years	Retired 12 July 2023	Staff Body	<ul style="list-style-type: none"> • Corporation • Academic • Estates 	4/5
Stephen Way	(A) 31 March 2021	4 years		Governing Body	<ul style="list-style-type: none"> • Corporation • Estates • Academic • Search, Governance and Remuneration 	5/5

Governors serving on the College Board during 2022-23						
Name	Date of Appointment: (A) Re-Appointment(s): (B), (C), (D), (E), (F), (G)¹	Term of office	Date of end of service	Method of appointment	Committees served	Corporation meeting attendance
Joanne Coffey served as Clerk to the Corporation in 2022-23.						
NOTES:						
1. Date of appointment data is provided for the last three terms of office in respect of governors who have held office in excess of ten years.						
2. Student Governor Panel consists of Principal, Vice Principal and Clerk 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 meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Strategy; Finance and Resources; Search, Governance and Remuneration; Academic; Estates; and Audit. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at: Capel Manor College, Bullsmoor Lane, Enfield, Middlesex, EN1 4RQ.

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

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are also provided on 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, Governance and Remuneration Committee, consisting of up to six 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 office of up to four years, not exceeding more than three full terms of office, unless exceptionally voted to serve additional terms.

Corporation performance

The Clerk to the Corporation carried out an assessment of the Corporation for the year ended 31 July 2023. On 13 December 2023, the Governing Body agreed that the Corporation had been effective for the specified parameters.

An External Review of Governance took place during 1 April to 31 July 2023, which found evidence that the Board is proficient and has some impact on college strategy, effectiveness, and outcomes. The final report can be found on the College's website.

Governance Professional's development

From 1 August 2022 to 31 July 2023, the Clerk to the Corporation attended a Governance Professional's London and South-East networking meeting and presentation and took part in online modules in Prevent, Safeguarding, Equality, Diversity & Inclusion, GDPR, Safer Recruitment, Modern Day Slavery, Unconscious Bias, Health & Safety and Advanced Excel.

Remuneration

Throughout the year ended 31 July 2023, the College's Search, Governance and Remuneration Committee comprised five members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2023 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee during 2022-23 comprised four members of the Corporation (excluding the Accounting Officer and Chair) and an Independent Member. 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, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The 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 and internal audit undertakes follow-up reviews to ensure that such recommendations have been implemented.

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

Internal Control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Capel Manor 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 that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The Risk and Control Framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the 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
- the adoption of appropriate formal project management disciplines, where appropriate
- the responsibility of all Sub-Committees to assess their own risk.

Capel Manor College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the Governing Body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's systems of risk management, controls and governance processes.

Review of effectiveness

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

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

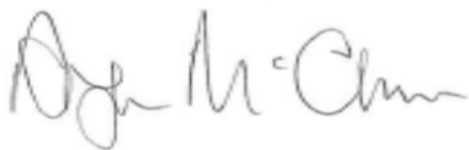
The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous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

The Accounting Officer and Senior Leadership Team receive 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 Principal and Senior Leadership Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and

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

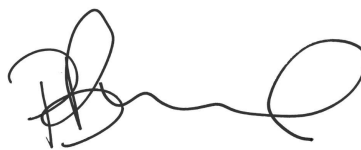
Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control. Some internal control issues were identified during the year and actions were subsequently taken to address these. The corporation 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 13 December 2023 and signed on their behalf by:



Roger McClure
Chair of Governors

13 December 2023



Peter Brammall
Accounting Officer

13 December 2023

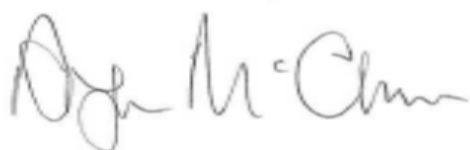
Governing Body's Statement on Regularity, Propriety and Compliance

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

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

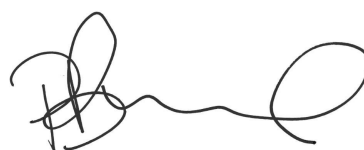
I confirm that no instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

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



Roger McClure
Chair of Governors

13 December 2023



Peter Brammall
Accounting Officer

13 December 2023

Statement of Responsibilities of the Members of the Corporation

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

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

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

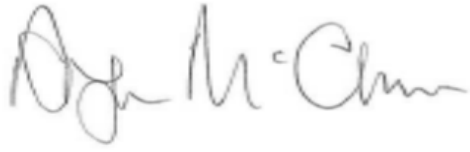
The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, 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 [date] and signed on its behalf by:



Roger McClure
Chair of Governors

13 December 2023

Independent Auditor's Report to the Corporation of Capel Manor College

Opinion

We have audited the financial statements of Capel Manor College (the parent 'College') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the group statement of comprehensive income, the group statement of changes in reserves, the balance sheets, the group statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Corporation

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

In preparing the financial statements, the members of the Corporation are 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 members of the Corporation 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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and other funding bodies and the

associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, 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.

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

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

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

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

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

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

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

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 18 December 2023

Reporting Accountant's Assurance Report on Regularity

To: The Corporation of Capel Manor College and Secretary for Education acting through Education and Skills Funding Agency (the ESFA).

In accordance with the terms of our engagement letter dated 9 June 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Capel Manor College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Capel Manor College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed:



Buzzacott LLP
Chartered Accountants
130 Wood Street, London, EC2V 6DL

Date: 18 December 2023

Consolidated Statements of Comprehensive Income

	Notes	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
INCOME					
Funding body grants	2	15,557	15,557	14,226	14,226
Tuition fees and education contracts	3	1,647	1,647	1,937	1,937
Other income	4	1,787	1,690	2,526	1,835
Investment income	5	<u>66</u>	<u>66</u>	<u>4</u>	<u>4</u>
Total income		<u>19,057</u>	<u>18,960</u>	<u>18,693</u>	<u>18,002</u>
EXPENDITURE					
Staff costs	6	13,566	13,566	14,380	14,211
Other operating expenses	7	5,563	5,467	5,308	4,981
Depreciation	10	610	608	520	519
Interest and other finance costs	8	49	49	165	165
Total expenditure		<u>19,788</u>	<u>19,690</u>	<u>20,373</u>	<u>19,876</u>
Loss for the year before tax		(731)	(730)	(1,680)	(1,874)
Taxation	9	-	-	-	-
Loss for the year after tax		<u>(731)</u>	<u>(730)</u>	<u>(1,680)</u>	<u>(1,874)</u>
Actuarial gain in respect of pensions	22	<u>2,448</u>	<u>2,448</u>	<u>10,062</u>	<u>10,062</u>
Total comprehensive income for the year		<u>1,717</u>	<u>1,717</u>	<u>8,382</u>	<u>8,188</u>

The Statement of Comprehensive Income is in respect of continuing activities.

Represented by:

Restricted comprehensive income	-	-	-	-
Unrestricted comprehensive income	<u>1,717</u>	<u>1,717</u>	<u>8,382</u>	<u>8,188</u>
	<u>1,717</u>	<u>1,717</u>	<u>8,382</u>	<u>8,188</u>

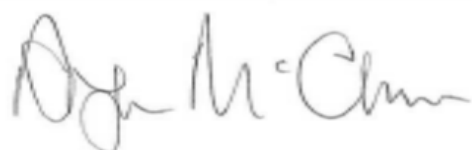
Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance as at 31 July 2021	(1,348)	579	(769)
Loss from the income and expenditure account	(1,680)	-	(1,680)
Other comprehensive income – actuarial gain	10,062	-	10,062
Transfers between revaluation and income and expenditure reserves	10	(10)	-
Total comprehensive income for the year	8,392	(10)	8,382
Balance at 31 July 2022	7,044	569	7,613
Loss from the income and expenditure account	(731)	-	(731)
Other comprehensive income – actuarial gain	2,448	-	2,448
Transfers between revaluation and income and expenditure reserves	11	(11)	-
Total comprehensive income for the year	1,728	(11)	1,717
Balance as at 31 July 2023	8,772	558	9,330
College			
Balance at 31 July 2021	(1,437)	579	(858)
Loss from the income and expenditure account	(1,874)	-	(1,874)
Other comprehensive income – actuarial gain	10,062	-	10,062
Surpluses gift aided by subsidiaries	69	-	69
Transfers between revaluation and income and expenditure reserves	10	(10)	-
Total comprehensive income for the year	8,267	(10)	8,257
Balance at 31 July 2022	6,830	569	7,399
Loss from the income and expenditure account	(730)	-	(730)
Other comprehensive income – actuarial gain	2,448	-	2,448
Surpluses gift aided by subsidiaries	195	-	195
Transfers between revaluation and income and expenditure reserves	11	(11)	-
Total comprehensive income for the year	1,924	(11)	1,913
Balance at 31 July 2023	8,754	558	9,312

Balance Sheets as at 31 July

	Notes	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Non-current assets					
Tangible fixed assets	10	9,221	9,198	8,644	8,642
Investments	11	-	-	-	-
Total fixed assets		<u>9,221</u>	<u>9,198</u>	<u>8,644</u>	<u>8,642</u>
Current assets					
Stocks		49	23	51	4
Trade and other receivables	12	521	516	561	700
Short term deposits	13	5,494	5,494	1,139	1,139
Cash and cash equivalents		2,635	2,579	4,475	4,033
Total current assets		<u>8,699</u>	<u>8,612</u>	<u>6,226</u>	<u>5,876</u>
Less: Creditors – amounts falling due within one year	14	<u>(4,499)</u>	<u>(4,407)</u>	<u>(2,973)</u>	<u>(2,835)</u>
Net current assets		<u>4,200</u>	<u>4,205</u>	<u>3,253</u>	<u>3,041</u>
Total assets less current liabilities		<u>13,421</u>	<u>13,403</u>	<u>11,897</u>	<u>11,683</u>
Less: Creditors – amounts falling due after more than one year	15	<u>(4,091)</u>	<u>(4,091)</u>	<u>(2,476)</u>	<u>(2,476)</u>
Provisions: Defined benefit obligations	16	<u>-</u>	<u>-</u>	<u>(1,808)</u>	<u>(1,808)</u>
Total net assets		<u>9,330</u>	<u>9,312</u>	<u>7,613</u>	<u>7,399</u>
Unrestricted Reserves:					
Income and expenditure account		8,772	8,754	7,044	6,830
Revaluation reserve		558	558	569	569
Total reserves		<u>9,330</u>	<u>9,312</u>	<u>7,613</u>	<u>7,399</u>

The financial statements on pages 33 to 61 were approved and authorised for issue by the Corporation on 13 December 2023 and were signed on its behalf on that date by:



Roger McClure
Chair of Governors
13 December 2023



Peter Brammall
Accounting Officer
13 December 2023

Consolidated Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Loss for the year		(731)	(1,680)
Adjustment for non-cash items:			
Depreciation		610	520
Decrease in stocks		2	15
Decrease (increase) in debtors		40	(154)
Increase in creditors		1,526	571
increase (decrease) in creditors due after one year		1,615	(95)
Pensions costs less contributions payable		640	1,803
Adjustment for investing or financing activities:			
Donated DFE Laptops		-	(23)
Investment income		(66)	(4)
Net cash flow from operating activities		<u>3,636</u>	<u>953</u>
Cash flows from investing activities			
Payments made to acquire fixed assets		(1,187)	(668)
Investment income		66	4
Increase in short term deposits		(4,355)	(285)
		<u>(5,476)</u>	<u>(949)</u>
(Decrease) increase in cash and cash equivalents in the year		<u>(1,840)</u>	<u>4</u>
Cash and cash equivalents at beginning of the year	17	4,475	4,471
Cash and cash equivalents at end of the year	17	2,635	4,475

Notes to the Accounts

1. Accounting policies

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP) and the College Accounts Direction for 2022-23 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the use of previous valuations as deemed cost at transition and on transfer in for certain non-current assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, Forty Hall Community Vineyard Limited and Capel Manor Limited controlled by the group. Capel Manor Limited was made dormant on 31 July 2022 and all relevant transactions during 2022/23 have been included in Capel Manor College. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2023.

The College has another subsidiary company, Enfield Veg Co Limited, which remained dormant in the financial year ended 31 July 2023.

Going concern

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

The College currently has no loans outstanding.

Accordingly, the College has a reasonable expectation 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 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 is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are capitalised, held as deferred income and recognised in income in line with depreciation over the life of the assets, under the accrual method as permitted by FRS 102. Other

capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

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

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

Accounting for Post-retirement benefits

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

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

As stated in note 22, 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 scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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

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

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

Short term employment benefits

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

Non-current Assets - Tangible fixed assets

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year

calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College of between 10 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 10-15 years. Improvements to leasehold property are depreciated over the remaining life of the lease.

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

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

Finance costs, which are directly attributable to the construction of land and buildings, are 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.

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

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

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

Buildings owned by third parties

Where the College enjoys the use of an asset which it does not own and for which no rental or a nominal rental is paid, if practicable, a value is attributed to this benefit and capitalised, with a corresponding credit to deferred capital grants which are subsequently released to the income and expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the related asset.

Equipment

Equipment costing less than £5,000 per individual item is written off to the income and expenditure account in the period of acquisition, unless it is part of a scheme of capital work. All other equipment is capitalised at cost. Equipment inherited from the Local Education Authority is included in the balance sheet at valuation.

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

- building improvements – the shorter of 10-15 years on a straight-line basis or the remainder of the lease term
- equipment – 5 years on a straight-line basis

- motor vehicles – 4 years on a straight-line basis

A full year of depreciation is charged in the year of acquisition.

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

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

Investments

The investments in the subsidiary companies are accounted for at cost less impairment in the individual financial statements.

Inventories

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.

Cash and cash equivalents

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

Financial Liabilities and equities

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

All loans and short-term deposits held by the group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments be subsequently measured at amortised cost; however, the College has calculated that the difference between the historic 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.

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 6% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions

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.

Borrowing costs

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

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and adult learning grants. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 24, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of Learner Support Funds applications and payments.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Provision for bad debts

Provision is made in full against the value of a debt where its recovery has become uncertain.

2 Funding body grants

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Recurrent grants				
ESFA- adult	367	367	412	412
GLA – adult	1,921	1,921	2,072	2,072
ESFA– 16-18	9,083	9,083	8,268	8,268
ESFA– apprenticeships	496	496	371	371
Specific grants				
ESFA– high needs funding	2,413	2,413	2,306	2,306
ESFA-Teachers' Pension	304	304	242	242
Capacity and Delivery Fund	122	122	161	161
Release of deferred capital grants	83	83	70	70
EFSA Discretionary learner support	79	79	28	28
GLA Discretionary learner support	284	284	126	126
EFSA Tuition fund	126	126	136	136
ESFA Additional specific bursaries	18	18	11	11
DFE Donated laptops	-	-	23	23
Multiplier Maths Project	127	127	-	-
Local and West London SDF Projects	134	134	-	-
Total	15,557	15,557	14,226	14,226

3 Tuition fees and education contracts

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Tuition fees	1,374	1,374	1,507	1,507
Education contracts	273	273	430	430
Total	1,647	1,647	1,937	1,937

Tuition fees funded by bursaries: Included within the above amounts are tuition fees funded by bursaries of £61k (2022: £7k).

4 Other income

	Group 2023	College 2023	Group 2022	College 2022
	£'000	£'000	£'000	£'000
Residencies and catering	217	217	232	230
ESFA Free school meal funds	58	58	62	62
Other income generating activities	399	399	434	187
Farming income	358	265	431	39
Capital grants	97	97	109	109
Teaching related activities	200	200	112	112
Examination and registration costs	116	116	129	129
Premises income	64	64	87	70
Other income	278	274	330	297
Compensation receipt	-	-	600	600
Total	1,787	1,690	2,526	1,835

The compensation receipt in 2021/22 for £600k was for the land access on The Ridgeway, there was no such receipt in 2022/23.

5 Investment income

	Group 2023	College 2023	Group 2022	College 2022
	£'000	£'000	£'000	£'000
Interest receivable	66	66	4	4
Total	66	66	4	4

6 Staff costs – Group and College

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

	2023	2023	2022	2022
	No.	No.	No.	No.
	Headcount	FTE	Headcount	FTE
Teaching staff	114	102	123	109
Non-teaching staff	204	170	214	173
Total Staff	318	272	337	282

Staff costs for the above persons

	Group 2023	College 2023	Group 2022	College 2022
	£'000	£'000	£'000	£'000
Wages and salaries	9,377	9,377	8,965	8,821
Social security costs	896	896	862	852
Other pension costs (note 22)	2,139	2,139	3,202	3,187
Includes £591k FRS102 adjustment (2022: £1,638k)				
Payroll sub total	<u>12,412</u>	<u>12,412</u>	<u>13,029</u>	<u>12,860</u>
Contracted out staffing services	<u>1,154</u>	<u>1,154</u>	<u>1,351</u>	<u>1,351</u>
Total Staff costs	<u>13,566</u>	<u>13,566</u>	<u>14,380</u>	<u>14,211</u>

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, the Clerk to the Governing Body and the Senior Leadership Team.

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

	2023 No	2022 No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>6</u>

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

	Key management personnel		Other staff	
	2023 No.	2022 No.	2023 No.	2022 No.
£40,001 to £45,000	3	1	-	-
£45,001 to £50,000	-	-	-	-
£50,001 to £55,000	-	-	-	-
£55,001 to £60,000	-	1	-	-
£60,001 to £65,000	1	-	2	-
£65,001 to £70,000	-	-	-	4
£70,001 to £75,000	1	1	-	-
£75,001 to £80,000	-	2	-	-
£80,001 to £85,000	1	-	-	-
£125,001 to £130,000	1	-	-	-
£185,001 to £190,000	-	1	-	-
	<u>7</u>	<u>6</u>	<u>2</u>	<u>4</u>

Eight members of staff whose annual emoluments were £60,000 and above moved into the other staff category in the middle of the year and this has been reported accordingly.

Key management post holder emoluments are made up as follows:

	2023 £'000	2022 £'000
Salaries	472	538
Employers National Insurance	57	70
	<u>529</u>	<u>608</u>
Pension contributions	61	97
	<u>61</u>	<u>97</u>
Total emoluments	<u>590</u>	<u>705</u>

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

The below compensation includes amounts of emoluments payable to the Accounting Officers (who are also the highest paid key management personnel):

	2023 £'000	2022 £'000
Principal (10 April 2023 – 31 July 2023)		
Salary	42	109
Payment in lieu of notice	-	65
Holiday pay entitlement	-	13
Pension contributions	7	41
	<u>7</u>	<u>41</u>
	<u>49</u>	<u>228</u>
Interim Principal (1 August 2022 – 30 June 2023)		
Salary	103	41
Cessation of Office	21	-
Holiday pay entitlement	3	-
Pensions Contributions	24	10
	<u>24</u>	<u>10</u>
	<u>151</u>	<u>51</u>
	<u>151</u>	<u>51</u>
Total Emoluments	<u>200</u>	<u>279</u>

The pension contributions in respect of the Accounting Officer and key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme or Local Government Pension Scheme and are paid at the same rates as for other employees.

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

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

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

The Principal and Chief Executive reports to the Chair of the Corporation, who conducts an annual review of his performance against the College’s overall objectives using both qualitative and quantitative measures of performance.

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

	2023 £'000	2022 £'000
Principal’s basic salary as a multiple of the median of all staff	8.28	7.8
Principal and CEO’s total remuneration as a multiple of the median of all staff	8.42	7.9

7 Other operating expenses

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Teaching costs	1,091	1,091	951	939
Non-teaching costs	2,661	2,565	2,793	2,478
Premises costs	1,811	1,811	1,564	1,564
Total	5,563	5,467	5,308	4,981

Other operating expenses include:

	2023 £'000	2022 £'000
Auditor’s remuneration:		
Financial statements and regularity audit	41	37
Internal audit	22	24
Hire of assets under operating leases	34	39

8 Interest and other finance costs – Group and College

	2023 £'000	2022 £'000
Net interest on defined pension liability (note 22):		
Enfield LGPS	46	159
Kent LGPS	3	6
Total	49	165

9 Taxation

The tax provision arises on the surplus generated by Forty Hall Community Vineyard Limited. Capel Manor Limited is now a dormant company and there was no activity recorded to generate profit in the year.

10 Tangible fixed assets (Group)

	Land and Buildings				
	Freehold £'000	Under Construction £'000	Long leasehold £'000	Plant and Equipment £'000	Total £'000
Cost or valuation					
At 1 August 2022	9,664	676	1,170	1,559	13,069
Additions in year	271	387	6	523	1,187
	<u>9,935</u>	<u>1,063</u>	<u>1,176</u>	<u>2,082</u>	<u>14,256</u>
At 31 July 2023					
Depreciation					
At 1 August 2022	2,657	-	776	992	4,425
Charge for the year	285	-	22	303	610
	<u>2,942</u>	<u>-</u>	<u>798</u>	<u>1,295</u>	<u>5,035</u>
At 31 July 2023					
Net book value at 31 July 2023	<u>6,993</u>	<u>1,063</u>	<u>378</u>	<u>787</u>	<u>9,221</u>
Net book value at 31 July 2022	<u>7,007</u>	<u>676</u>	<u>394</u>	<u>567</u>	<u>8,644</u>

Following a recommendation from the FE Commissioner, on 1 January 2020, the College acquired Mottingham, a campus in Bromley, southeast London from the education administrators of Kent-based Hadlow College.

Mottingham is a 9-acre freehold property. The Secretary of State for Education retains the right to 100% of any net sale proceeds from the land for a period of 40 years from the transfer date, through an overage clause. The asset under construction costs are in respect of a proposed building project at the Mottingham site. Approvals are in place. Building work started in July 2023 and is expected to complete by October 2024.

Tangible fixed assets (College only)

	Land and buildings		Long leasehold £'000	Plant and Equipment £'000	Total £'000
	Freehold £'000	Under Construction £'000			
Cost or valuation					
At 1 August 2022	9,664	676	1,170	1,539	13,049
Additions	<u>271</u>	<u>387</u>	<u>6</u>	<u>500</u>	<u>1,164</u>
At 31 July 2023	<u>9,935</u>	<u>1,063</u>	<u>1,176</u>	<u>2,039</u>	<u>14,213</u>
Depreciation					
At 1 August 2022	2,657	-	776	974	4,407
Charge for the year	<u>285</u>	<u>-</u>	<u>22</u>	<u>301</u>	<u>608</u>
At 31 July 2023	<u>2,942</u>	<u>-</u>	<u>798</u>	<u>1,275</u>	<u>5,015</u>
Net book value at 31 July 2023	<u>6,993</u>	<u>1,063</u>	<u>378</u>	<u>764</u>	<u>9,198</u>
Net book value at 31 July 2022	<u>7,007</u>	<u>676</u>	<u>394</u>	<u>567</u>	<u>8,644</u>

Land and buildings were valued in 1996 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice. If fixed assets had not been revalued before being deemed as cost on transition, they would have been included at £nil historical cost.

Land and buildings with a net book value of £679k (2022: £521k) have been partly financed by exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the ESFA, to surrender the proceeds.

The College occupies land and buildings at Forty Hall Farm. 4.85 hectares of land at the farm are held on a 99-year lease at a peppercorn rent. The farm buildings and a further 64 hectares of land are held under an agricultural tenancy. The College has a partnership agreement with the London Borough of Enfield to manage and conserve the farm estate and to restore the derelict buildings on site. The properties are maintained and insured by the College. The properties are included in the balance sheet at £nil cost, as the properties were in a state of disrepair at the start of the tenancy.

11 Non-current investment (College)

	2023 £	2022 £
Investments in subsidiary companies	5	5
Total	<u>5</u>	<u>5</u>

The College owns 100 per cent of the issued ordinary £1 shares of Capel Manor Limited, a company incorporated in England and Wales. Capel Manor Limited owed £nil to the College at 31 July 2023 (2022: £168,468). Capel Manor Limited is now dormant.

The College owns a 50% share in Forty Hall Community Vineyard Limited, a company incorporated in England and Wales. The College owed Forty Hall Community Vineyard Limited £480 at 31 July 2023 (2022 - £480). The principal business activity of Forty Hall Community Vineyard Limited is the operation of a commercial vineyard that provides a community therapeutic resource via a locally appointed management committee of volunteers.

The College owns 100 per cent of the issued ordinary £1 shares of Enfield Veg Co Limited, a company incorporated in England and Wales. The company did not trade during the year.

12 Trade and other receivables

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Amounts falling due within one year:				
Trade Debtors	358	354	390	361
Prepayments and accrued income	162	162	171	170
Amounts owed from subsidiary undertakings	-	-	-	168
Other debtors	1	-	-	1
Total	<u>521</u>	<u>516</u>	<u>561</u>	<u>700</u>

13 Current investments

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Short term deposits	<u>5,494</u>	<u>5,494</u>	<u>1,139</u>	<u>1,139</u>
Total	<u>5,494</u>	<u>5,494</u>	<u>1,139</u>	<u>1,139</u>

Deposits are held with banks and building societies operating in the London market and licenced by the Financial Conduct Authority with more than one month maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

14 Creditors: amounts falling due within one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Payments received in advance	1,102	1088	628	616
Trade creditors	253	240	239	223
Other taxation and social security	241	243	225	221
Accruals and deferred income	2,447	2,431	1,455	1,436
Deferred income – capital grants	166	166	166	166
Amounts owed to subsidiary undertakings	-	17	-	-
Amounts owed to funding bodies	25	25	1	1
Other creditors	265	197	259	172
Total	4,499	4,407	2,973	2,835

15 Creditors: amounts falling after one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Deferred income – capital grants	4,091	4,091	2,476	2,476
Total	4,091	4,091	2,476	2,476

16 Provisions (Group and College)

Defined benefit obligations

	2023 £'000	2022 £'000
At 1 August 2022	(1,808)	(10,067)
Expenditure in the period	(640)	(1,803)
Actuarial gain in period	3,791	10,062
Actuarial gain capped to Nil	(1,343)	-
At 31 July 2023	-	(1,808)

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 22. The principal assumptions for this calculation are:

	2023	2022
Price inflation	2.6%	2.6%
Discount rate	4.9%	3.4%

17 Cash and Cash Equivalents

	At 1 Aug 2022 £'000	Cash flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	<u>4,475</u>	<u>(1,840)</u>	<u>2,635</u>
Total	<u>4,475</u>	<u>(1,840)</u>	<u>2,635</u>

18 Capital commitments (Group and College)

	2023 £'000	2022 £'000
Commitments contracted for at 31 July	<u>7,920</u>	<u>-</u>
Authorised but not contracted at 31 July	<u>1,100</u>	<u>9,605</u>

At 31 July the College's capital commitment was £9,020k which is made up of £7,920k for the Mottingham building project and £1,100k for the 2023/24 capital budget.

19 Lease obligations (Group and College)

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

	2023 £'000	2022 £'000
Land and buildings:		
Expiring within one year	309	289
Expiring within two and five years inclusive	531	451
Expiring in over five years	2,285	2,045
	<u>3,125</u>	<u>2,785</u>
Equipment:		
Expiring within one year	34	39
Expiring within two and five years inclusive	-	-
	<u>34</u>	<u>39</u>

20 Contingent liability

The College took advantage of a VAT exemption of £610k in the construction of an Animal Care building that was completed in the year ending 31 July 2015. This arises from the building being used to educate 16-19-year-old students. This exemption is subject to a ten-year review (2025) in which any education of adults must not exceed 5% of the student population. Governors have adopted a strategy that will prevent the liability from crystallising.

21 Local Government Pension Scheme

Defined benefit obligations:	2023	2022
	£'000	£'000
Enfield LGPS (note 22)	(1,247)	1,710
Kent LGPS (note 22)	(96)	98
Actuarial gain capped to Nil	1,343	-
	<u>-</u>	<u>1,808</u>
Total liability	<u>-</u>	<u>1,808</u>

The actuarial gains on assets have been capped to £2,448k (Enfield LGPS £2,335k, Kent LGPS £113) to reduce the asset to nil, as the assets are not recoverable.

As at 31 July 2023 the College has obtained an actuarial valuation of the College's share of both scheme's assets and liabilities (note 22).

22 Pension and similar obligations

The College's employees belong to three 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 Kent County Council and the London Borough of Enfield Local Authority. All three are defined-benefit schemes.

Total pension cost for the year	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		762		839
Local Government Pension Scheme: Contributions paid:				
Enfield LGPS	766		707	
Kent LGPS	20		18	
FRS 102 charge	591		1,638	
		<u>1,377</u>		<u>2,363</u>
Charge to the Income and Expenditure Account (staff costs)				
		<u>1,377</u>		<u>2,363</u>
Total Pension Cost for Year (note 6)		<u>2,139</u>		<u>3,202</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 and of the LGPS 31 March 2022.

Contributions amounting to £189k (2021-22: £168k) were payable to the schemes at 31 July and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year.

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

The pension costs paid to TPS in the year amounted to £762k (2021-22: £839k).

Enfield Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Borough of Enfield Local Authority. The total contributions made for the year ended 31 July 2023 were £1,044k, of which employer's contributions totalled £766k and employees' contributions totalled £278k. The agreed contribution rates for future years are 17.3% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

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

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	4.1%	4.1%
Rate of increase for pensions in payment and to deferred pensions	2.6%	2.6%
Discount rate for scheme liabilities	4.9%	3.4%
Rate of increase in inflation (Consumer Price Index)	2.6%	2.6%
Commutation of pensions to lump sums	70%	70%

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

	At 31 July 2023	At 31 July 2022
	Years	Years
Retiring today		
Males	21.2	22.3
Females	23.6	24.2
Retiring in 20 years		
Males	22.5	23.0
Females	25.1	25.0

The College's share of the assets and liabilities in the scheme and the actual return on plan assets were:

	Value at 31 July 2023 £'000	Value at 31 July 2022 £'000
Equities	8,196	8,317
Property	943	3,289
Government Bonds	926	995
Corporate Bonds	3,190	1,889
Multi Asset Credit	652	590
Cash	1,355	962
Other	1,886	827
	<hr/>	<hr/>
Total market value of assets	17,148	16,869
	<hr/>	<hr/>
Actual return on plan assets	(210)	236
	<hr/>	<hr/>

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

	2023 £'000	2022 £'000
Fair Value of plan assets	17,148	16,869
Present value of plan liabilities	(15,901)	(18,579)
Capped adjustment to limit net assets to nil	<u>(1,247)</u>	<u>-</u>
Net pension asset/(liability) (Note 21)	<u><u>-</u></u>	<u><u>(1,710)</u></u>

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

	2023 £'000	2022 £'000
Amounts included in staff costs:		
Current service cost	1,338	2,299
Past Service cost	<u>-</u>	<u>-</u>
Total	<u><u>1,338</u></u>	<u><u>2,299</u></u>

	2023 £'000	2022 £'000
Amounts included in finance costs:		
Net interest cost (note 8)	<u>(46)</u>	<u>(159)</u>
	<u><u>(46)</u></u>	<u><u>(159)</u></u>

	2023 £'000	2022 £'000
Amount recognised in Other Comprehensive Income:		
Return on pension plan assets	(792)	(42)
Experience losses arising on defined benefit obligations	6,017	9,794
Actuarial gains due to changes in demographic assumptions	265	-
Actuarial losses due to liability experience	<u>(1,908)</u>	<u>-</u>
Amount recognised in Other Comprehensive Income	<u><u>3,582</u></u>	<u><u>9,752</u></u>

	2023 £'000	2022 £'000
Movement in net defined benefit liability during year:		
Net defined benefit liability in scheme at 1 August	(1,710)	(9,711)
Movement in year:		
Current service cost	(1,338)	(2,299)
Past service cost	(7)	-
Employer contributions	766	707
Net interest	(46)	(159)
Actuarial gain	3,582	9,752
Actuarial gain capped to limit to nil	<u>(1,247)</u>	<u>-</u>
Net defined benefit liability at 31 July	<u><u>-</u></u>	<u><u>(1,710)</u></u>

Asset and Liability Reconciliation

	2023 £'000	2022 £'000
Defined benefit obligations at 1 August	18,579	25,755
Current service cost	1,338	2,299
Interest cost	628	437
Contributions by scheme participants	278	256
Experience gains and losses on defined benefit obligations	(6,017)	(9,794)
Estimated benefits paid	(555)	(374)
Past service cost	7	-
Actuarial (gains) due to changes in demographic assumptions	(265)	-
Actuarial losses due to liability experience	1,908	-
	<u>1,908</u>	<u>-</u>
Defined benefit obligations at 31 July	<u>15,901</u>	<u>18,579</u>

Changes in fair value of plan assets

	2023 £'000	2022 £'000
Fair value of plan assets at 1 August	16,869	16,044
Interest on assets	582	278
Return on plan assets	(792)	(42)
Employer contributions	766	707
Contributions by Scheme participants	278	256
Benefits paid	(555)	(374)
	<u>(555)</u>	<u>(374)</u>
Fair value of plan assets at 31 July	<u>17,148</u>	<u>16,869</u>

Kent Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the Kent County Council. The total contributions made for the year ended 31 July 2023 were £26k, of which employer's contributions totalled £20k and employees' contributions totalled £6k. The agreed contribution rates are between 18.4% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon an actuarial valuation of the fund as at 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.80%	3.80%

Rate of increase for pensions in payment and to deferred pensions	2.80%	2.80%
Discount rate for scheme liabilities	5.10%	3.40%
Rate of increase in inflation (Consumer Price Index)	2.80%	2.80%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2023	At 31 July 2022
	Years	Years
Retiring today		
Males	20.7	21.0
Females	23.2	23.5
Retiring in 20 years		
Males	22.0	22.3
Females	24.6	24.9

The College's share of the assets and liabilities in the scheme and the actual return on plan assets were:

	Value at 31 Jul 2023 £'000	Value at 31 Jan 2022 £'000
Equities	319	296
Property	50	55
Government Bonds	3	3
Corporate Bonds	69	61
Cash	6	9
Other	36	33
Infrastructure	18	-
	<hr/>	<hr/>
Total market value of assets	501	457
	<hr/>	<hr/>
Actual return on plan assets	4	(4)
	<hr/>	<hr/>

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

	2023 £'000	2022 £'000
Fair Value of plan assets	501	457
Present value of plan liabilities	(405)	(555)
Capped adjustment to limit net assets to nil	<u>(96)</u>	<u>-</u>
Net pension assets (Note 21)	<u><u>-</u></u>	<u><u>(98)</u></u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan for this financial year are as follows:

	2023 £'000	2022 £'000
Amounts included in staff costs:		
Current service cost	32	64
Past Service cost	-	-
Total	<u><u>32</u></u>	<u><u>64</u></u>

Amounts included in finance costs:

	2023 £'000	2022 £'000
Net interest cost (note 8)	<u>(3)</u>	<u>(6)</u>
	<u><u>(3)</u></u>	<u><u>(6)</u></u>

Amount recognised in Other Comprehensive Income:

	2023 £'000	2022 £'000
Return on pension plan assets	4	(4)
Experience gains arising on defined benefit obligations	<u>38</u>	<u>2</u>
Amount recognised in Other Comprehensive Income	<u><u>42</u></u>	<u><u>(2)</u></u>

Movement in net defined benefit liability during year:

	2023 £'000	2022 £'000
Net defined benefit liability in scheme at 1 August	(98)	(356)
Movement in year:		
Current service cost	(32)	(64)
Past service cost	-	-
Employer contributions	20	18
Net interest	(3)	(6)
Actuarial gain	209	310
Capped adjustment to limit to nil	<u>(96)</u>	<u>-</u>
Net defined benefit liability at 31 July	<u><u>-</u></u>	<u><u>(98)</u></u>

Asset and Liability Reconciliation

	2023 £'000	2022 £'000
Defined benefit obligations at 1 August	555	825
Current service cost	32	64
Interest cost	19	13
Change in financial assumptions	(224)	(308)
Change in demographic assumptions	(9)	(15)
Contributions by scheme participants	6	5
Experience gains on defined benefit obligations	38	2
Estimated benefits paid	(12)	(31)
	<u>405</u>	<u>555</u>
Defined benefit obligations at 31 July	<u>405</u>	<u>555</u>

Changes in fair value of plan assets

	2023 £'000	2022 £'000
Fair value of plan assets at 1 August	457	469
Interest on assets	16	7
Return on plan assets	(12)	(11)
Other actuarial gains/losses	26	-
Employer contributions	20	18
Contributions by Scheme participants	6	5
Benefits paid	(12)	(31)
	<u>501</u>	<u>457</u>
Fair value of plan assets at 31 July	<u>501</u>	<u>457</u>

23 Related party transactions

Owing to the nature of the College's operations and the composition of the Governing Body 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 Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and standard procurement procedures. There were no such transactions in the year.

£128 of expenses were paid to or on behalf of the Governors during the year (2021-22 £Nil).

No governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2021-22: £Nil).

Transactions and balances with the funding bodies are detailed in notes 2, 12 and 14.

24 Amounts disbursed as agentDiscretionary support funds

	2023 £'000	2022 £'000
Funding body grants	305	362
Disbursed to students	(380)	(353)
Administration costs	(15)	(9)
Amount consolidated in financial statements	<u>90</u>	<u>-</u>
Balance unspent as at 31 July, included in creditors	<u>-</u>	<u>-</u>

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