



Bath College

Annual Report and Financial Statements **Year ended 31 July 2023**

Bath College

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Bath College

Reference and Administrative Details

Board of Governors

A full list of Governors is given on pages 19 and 20 of these accounts.

Clerk/Company Secretary

Anne Roberts, Head of Governance, acted as Clerk to 12 December 2022

Emma Roberts, Head of Governance (Director of Corporate Governance from 29 January 2024), acted as Clerk from 13 December 2022

Senior postholders

Jayne Davis – Principal & CEO, and Accounting Officer to 20 February 2024

Martin Sim – Interim Principal & CEO, and Accounting Officer from 4 April 2024

Richard Harris – Director of Operations from 22 January 2024 and Interim Accounting Officer from 21 February 2024 to 3 April 2024

Sue Martin – Interim Deputy Principal from 24 January 2024

Kate Hobbs – Deputy Principal from 1 September 2022 to 16 February 2024

John Newton – Deputy Principal to 19 September 2022

Paul Fletton – Director of Finance & MIS to 11 July 2023

Paul Fletton – Interim Director of Finance from 12 July 2023 to 19 October 2023

Stephen Horrobin – Interim Director of Finance from 13 November 2023

Emma Roberts – Director of Corporate Governance from 29 January 2024

Principal and Registered Office

Bath College

Avon Street,

Bath, BA1 1UP

Professional advisors

Internal auditors RSM UK Risk Assurance Services LLP from 1 September 2023

External auditors Bishop Fleming LLP

Solicitors Shakespeare Martineau LLP

Bankers Barclays Bank PLC

Bath College

Strategic report – Report of the Governing Body

The governing body present their annual report together with the financial statements and auditor's report for Bath College 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 Bath College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The College has no subsidiary companies.

Mission

The College's mission statement is;

"At Bath College we provide innovative training to develop skills, inspire individuals, enrich the wider community and encourage all to achieve and progress."

Strategy and Objectives

The Bath College Strategic Plan outlines our intentions to meet local, national and regional needs of our learners and communities. It builds on our key purpose to deliver on dynamic, innovative, flexible and efficient curriculum that meets targets needs locally, regionally and nationally.

Implemented in 2020 and refreshed in 2022/23 to recognise the significant changes in the national and regional economy, culture and society as well as health and mental health needs of our learners and communities influenced by the global Coronavirus pandemic and latterly the economic pressures of the reactive economy.

Consulted with staff, governors and leaders to reset the strategic objectives to better reflect the changing priorities of the College as we pivoted to respond to the changing needs of or learners, staff, communities, employers and partners.

The strategic priorities are set under six pillars set out below.

Development and Performance

The College seeks to identify its ambitions for the future in an environment that remains challenging and uncertain. Implementation of the current Strategic Plan commenced from August 2020 and a review of these is planned for April 2024 with the commencement of Martin Sim in post as Principal and CEO. The College Accountability Agreement published in July 2023 set out the College's ambition in relation to support the skills requirements of our communities.

We have worked with new and emerging talent to prepare them to excel and to meet the needs of current or future employers. By actively contributing to developing the careers of individuals through the provision of education and training, we will work with people from across our communities to develop their skills, to improve their life chances and to give them a passion for learning new things or mastering existing skills.

The College's progress on quality and performance over the last year has resulted in exciting opportunities for the next stage of our Collaboration is crucial to us, and we have continued in this path during the year with our work with a range of co-contributors to launch the 'FWD' an innovative project to co-design and offer learning opportunities to our communities in Bath and the South West in conjunction with both local universities and local authority partners.

The College, is part of the successful West of England Institute of Technology (IoT) and increased its range of Technical Level qualifications from three to five. Both these initiatives place the College at the forefront of higher technical qualifications.

This progress has been consolidated over the last academic year, as the College has secured additional delivery opportunities through other regional and government initiatives. These include delivery of several Skills Bootcamps, involvement in the Government's Multiply programme and continuing to benefit from access to the Strategic Development Fund via the IoT

The College has continued to grow additional partnerships, in order that it can benefit the social and environmental fabric of the community and give access to learning to more residents. Exciting work continues with collaborations between several local organisations, for example MIND, Women's Work Lab and organisations such as Youth Connect South West, enabling the College to offer support and assistance to those furthest away from learning or the workplace and often most disadvantaged. This is a small selection of the valuable partnerships and collaborations we strive to work with.

The building of new partnerships and reinforcement of old affiliations, as well as an enhanced engagement of employers is prioritised in support of our skills and technical curriculum growth. We have extended our employer base and welcomed new employers into our delivery and new and innovative ways of engaging and collaborating with these partners. These have generated enhanced working relationships and a dynamic learning atmosphere that is of value to both students and employers.

Progression and student destinations are key performance indicators. The College's aim is to provide a diverse range of pathways to enable students to realise careers, not just to gain qualifications or just to settle for jobs.

Strategic Pillars

- **Create and deliver a dynamic, flexible and influential curriculum**

Students are at the heart of everything we do. Centred on the West of England Skills and Knowledge needs, the curriculum reflects local, regional, as well as national demand. The aim is to provide a flexible, relevant and enabling curriculum. A curriculum that provides the technical, professional and vocational qualifications enabling students to succeed, the softer skills to ensure resilience and career enhancement and the support and security to become high performing and confident individuals will be embedded and an innovative approach to

deliver will be encouraged. We work hard to ensure that employers are able to input into all strands of our learner offers, and that golden threads of digital and sustainability are woven through all our curriculum maps.

- **Be known for delivering the highest quality provision**

The College will work to ensure that all aspects of its provision will be of the highest quality and provide an aspirational and motivational learning environment enabling our students to thrive. The College aim is to continually improve and embed high expectations and be ambitious for our students and staff. With a target of 5% above national average for achievement rates and curriculum delivered by industry experts resulting in 90% positive destinations, we are offering opportunities for our learners to achieve through our flexible and influential curriculum.

- **Achieve growth on an enhanced estate**

The College does not aspire to be the largest College within the sector or the region, but it aspires to be the best. However, there is an optimum size that secures stability, sustainability, facilitates investment and security. Research has shown this to be circa £25m income. Currently the College is slightly below this income level, our aim is to grow, through both funded delivery and alternative income streams, to secure this position. Our curriculum based investment strategy means that our investment approach aligns with driving innovation and improvement in the areas that are most strategically crucial.

- **Create strategic partnerships to benefit learners**

The recent working environment, combined with national initiatives demonstrate the need for Colleges to work collaboratively. These, combined with the still fragile F.E. funding environment, require the development of more partnerships and collaborative behaviours that are underpinned by clear strategic planning. The aim is to add value to delivery while removing wasteful competition and unhelpful duplication, whilst recognising we are in a transitional period. We aim to always work with at least one national partner and to nurture our local and regional partners in order to develop and enhance the curriculum, learner experience and our community reach.

- **Be at the heart of the community where there is a place for everyone**

The aim is to provide a dynamic and positive learning environment for students, with clear expectations and a positive and respectful culture. We have 300 students with higher needs and aim to be a leader in the field of Special Educational Needs (SEN) provision. Our Equality, Diversity and Inclusion (EDI) strategy is crucial to our ambition in this area, and the involvement of student ambassadors, staff and governor leads help to ensure an embedded approach. The College aims to be at the centre of community skills, engaging with over 500 adult learners in the community. Looking to our staff, the hard work and dedication of the staff, without which the students would not prosper and succeed is crucial to us, and focus on staff wellbeing has been key in year, and will be ongoing for 2023-24. The aim is to enhance and facilitate a learning culture for our colleagues, through the provision of a differentiated learning framework and enable a College of Learning, not just for students but for all.

- **Commit to a net zero future now**

The College has implemented a net zero plan, and has adopted a sustainability roadmap, engaging students, staff and governors in its plans to implement these actions. Monitoring will continue through the year with the new Sustainability Governor Group and the adoption of an Associate Governor for sustainability, as well as a series of student led projects focusing on energy efficiency and usage.

Resources

The College employs 504 people, of whom 205 are teaching staff.

The College has £12.9 million (2022: £9.3 million) of net assets including £3.0 million pension liability (2022: liability of £8.0 million) and long-term debt of £nil due to the reclassification of loans due to a bank covenant breach.(2022: £2.7 million).

Tangible resources include the following campuses and leased buildings:

- City Campus
- Somer Valley Campus
- Twerton Learning Centre

Stakeholders

The College has many stakeholders all of whom are crucial to the success of the College. These include:

- Its current, future and past students.
- Its staff and their trade unions including the University and College Union, National Education Union and Unison. The College meets regularly with Union colleagues through formal and informal meetings to engage in dialogue on a range of issues.
- The employers it works with, the College has reviewed and refreshed its mechanisms for employer engagement under the direction of the Business Development Team. Employer Boards, events, surveys and consultation takes place to ensure that the views of the employer community are integrated into the College's Accountability Agreements and work to embed these.
- Local Universities and Schools. The College collaborates with the University of Bath, University of Gloucester and Bath Spa University in the provision of education and through innovative partnerships such as FWD and Bootcamp delivery, offering learners a seamless pathway through education and a range of opportunities locally.
- Its local council, combined authority and Local Enterprise Partnership. The College works with Bath and North East Somerset (B&NeS) Council, the West of England Combined Authority (WECA), and our Local Enterprise Partnership in a range of ways, working to ensure that funding received from these organisations is used to deliver high quality learning products aligned with local needs. As a key partner for B&NeS and WECA the College recognises that the major focus of delivery has to be on the provision of excellent professional and technical skills to support business growth and economic development

locally and within the region. This emphasis has been reinforced as we have worked with our network of micro, small and medium business partners to support economic development and skills regeneration.

Public Benefit

Bath College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 19 and 20. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 8,000 students, including 300 students with high needs.

The College provides courses without charge to young people, to those who are unemployed and adults taking English and Maths courses.

The College adjusts its courses to meet the needs of local employers and in providing training programmes to apprentices and other vocational learners.

The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

Financial Review

The College generated a deficit before other gains and losses in the year of £2.3 million (2021/22: £1.1 million deficit before other gains and losses), with Total Comprehensive Income of £3.6 million (2021/22: £11.4 million).

Total Comprehensive Income in 2022/23 is stated after accounting for an actuarial surplus relating to the Local Government Pension Scheme of £5.7 million (2021/22 surplus of £12.2 million). The College has accumulated reserves of £12.9 million (2021/22 £9.3 million). The College had a cash balance of £5.1 million at 31 July 2023 (31 July 2022: £3.9 million).

Non-current asset additions during the year amounted to £2.2 million.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 education funding bodies provided 81% of the College's total income, with 52% coming from the Education and Skills Funding Agency for 16-18 provision.

The College's financial position was partly as a result of lower than predicted student numbers but more significantly as a result of higher operating costs. A review of the business operating

model has since commenced to ensure a recovery of financial performance and stability. All other areas of the College's operating performance were in line with expectations for the year.

Financial underperformance in year has meant that the College was in breach of its loan covenant with the bank as at 31 July 2023.

A Letter of Comfort has been issued by Barclays Bank which acknowledges the breach and gives assurance that at the time of issue the lender does not intend to recall the loan but did reserve the right to do so and expects to continue to support the College for the foreseeable future to monitor and secure ongoing improvements in financial sustainability and success.

Due to the breach in year, the loan has been reclassified as due in less than one year, increasing net current liabilities by £2.5M and giving an ESFA Financial Health rating of 'Inadequate' as a result. Had the loan not been reclassified, the Balance Sheet would show a position as outlined below:

Balance Sheet £'000	31-Jul-23	31-Jul-23
	£000	Loans due in < 1 year £'000
Fixed Assets	34,455	34,455
Current Assets	6,090	6,090
Creditors within one year		
Loans	-206	-2,709
Other	-7,343	-7,343
	<u>-7,549</u>	<u>-10,052</u>
Net Current liabilities	<u>-1,459</u>	<u>-3,962</u>
Total assets less current liabilities	32,996	30,493
Creditors due after one year		
Loans	-2,503	0
Other	-13,086	-13,086
	<u>-15,589</u>	<u>-13,086</u>
Provisions	-4,500	-4,500
Net Assets	<u><u>12,907</u></u>	<u><u>12,907</u></u>
ESFA Financial Health rating	Requires Improvement	Inadequate

Financial plan The College's strategic financial aims for the period 2022/23 were agreed by the Corporation as:

- The College will achieve its ambitions and meet the needs of its learners through sound financial management.
- The College will grow and develop through innovation, specialisation, investment and partnerships.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. The College has a separate treasury management policy in place. Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer.

All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum agreed with the Education and Skills Funding Agency.

Cash Flow and Liquidity

The net cash inflow of £1.2 million (2021/22: £0.5 million inflow) mainly reflects an increase in capital grants received in year that were unspent at the 31st July.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College currently has no restricted reserves.

As at the balance sheet date the Income and Expenditure reserve stands at £9.0 million (2022: £5.3 million). It is the Governing body's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

FUTURE PROSPECTS

Since the financial year end a number of significant changes/events have taken place. This includes an October 2023 full inspection from Ofsted. This resulted in a overall judgement of 'Requires Improvement' (was previously Good). The report highlighted some areas of good practice and a number of further areas for improvement. Since this report a new leadership team has been formed at the college. This includes Martin Sim as Interim Principal & CEO. Further details of leadership details are disclosed on page 3. The new leadership team will focus on raising achievements and improving the college's financial and quality position.

Future developments

Bath College has a wide range of employer and civic partners and plays an important role in shaping local and regional skills provision. We will continue to increase our influence in the region via the following activity.

- Working closely with businesses to create curriculum co-design opportunities across all provisions
- Expanding the College's T-Level offer
- Further expanding opportunities for learners to access meaningful workplace experiences
- Delivery of bespoke, employer-designed Skills Bootcamps
- Working with employers to create learning opportunities in the areas of retrofit and environmental technologies
- Continuing work with the city's two universities (Bath Spa University and University of Bath) on a project to deliver higher level modular learning for re-skilling and upskilling
- Undertaking the Government initiative Multiply to enhance maths/numeracy in the local community
- Further developing learning pathways into Higher Education with Bath Spa University
- Working with the Local Authority to develop vocational learning for 14-16 year olds
- Embedding English, Maths, digital skills and sustainability into curriculum across all provisions to increase employability chances and opportunities
- Creating personal development opportunities for learners that directly relate to ability to thrive in society and the economy.
- Continue to work with provider partners and employers in the West of England Institute of Technology (IoT) to provide higher technical routes, including HTQs

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

The main risk factors affecting the College are outlined below along with the action taken to

minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government funding

The College has considerable reliance on continued government funding through the further education sector's funding bodies and, to a lesser extent, through the Office for Students (OfS).

To compound this risk, despite a recent modest increase, the funding levels for Further Education are below those for schools and Universities which puts pressure on the ability of the College to invest in staff and facilities at the required level, especially in the context of high levels of inflation. The increased reliance on short term funding bids can also make revenue streams less reliable in the future.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements, spreading the risk to some extent;
- By ensuring the College is rigorous in delivering high quality education and training;
- Focusing on maintaining and managing key relationships with the various funding bodies;
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding; and,
- Regular dialogue with funding bodies.

2. Human resource capacity (Strategic risks 3 & 9)

As a result of the low funding rates for Further Education Provision and increased pay inflation due to a general shortage of staff, the College struggles to pay competitive rates for lecturers and assessors in specialist 'hard to recruit' areas. The College may not consequently have the capability to deliver and support the curriculum offer in specialist areas such as welding and construction Services; or to fill niche support roles. This could result in reduced enrolments, complaints, loss of reputation and increased risk of failing to comply with statutory requirements.

This risk is mitigated in a number of ways:

- Review of business / project requirements and prioritisation including reviewing skill sets required.
- Have specialists such as project managers, identified and engaged to responsively meet need
- Use of secondments as development opportunities for managers
- Regular meetings with managers and/or staff in areas of peak activity to monitor progress, review priorities and identify if support is needed
- Introduction of an improved internal staff development programme, focused on skills and higher-level qualifications
- Specialist uplifts offered for identified areas.

3. Protecting the College from the increased threat of Cyber crime (Strategic risk 16)

During 2022-23, the Further Education sector has again been increasingly targeted by cyber criminals who seek to disrupt and disable the IT services of the College, threatening the continuity of its services to learners and potentially the security of its financial assets. This is recognized by the College bankers and insurers as a key risk.

The College mitigates this risk in a number of ways:-

- Investing in the latest software upgrades to repel the most current threats
- Raising staff awareness of cyber threats and what to do in the event of a suspected attack
- Complying with the sectors “Cyber Essentials” risk mitigation framework
- Carrying out external specialist reviews and thorough penetration testing
- Taking appropriate specialist insurance cover where possible and appropriate

4. Ensuring an appropriate learning environment in ageing buildings (Strategic risk 1)

During 2022-23 the College invested significantly in its buildings and physical estate, but despite this some areas of its estates remain out dated and some of the mechanical and electrical services are unreliable.

This generates a risk of an interrupted student experience resulting in a poor reputation and lower student recruitment as a result.

The College mitigates this risk in a number of ways:

- Having a comprehensive estates maintenance programme
- Ensuring appropriately robust reviews of the estate and appropriately qualified staff and contractors
- Bidding for funding when opportunities arise through its main funders
- Working proactively in partnership to refresh its estate through differentiated funding opportunities
- Closely monitoring the estate using specialist contractors as necessary.

5. Financial Performance results in a covenant breach (Strategic risk 2)

The financial statements currently breach one of the covenants that the College has with its bankers, bringing the potential risk of having to re-negotiate its financing arrangements and having reduced financial health. Such potential risks include the emerging reconciliation processes of some of its funders and a commercial dispute.

The College mitigates this risk in a number of ways:-

- Ongoing modelling and review of compliance in the monthly management accounts
- Maintaining positive and proactive dialogue with its bankers
- Rolling 12 month cashflow forecast in place

- Strong financial recovery plans for 2023/24
- Maintaining strong cash balances

KEY PERFORMANCE INDICATORS

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

Key Performance Indicator	Measure / Target	Actual for 22/23
Ofsted Grading	Good	Good*
Education Specific EBITDA	£1,167k	(£901)k
% of Education Specific EBITDA	4.8%	-4.1%
Cash Days	56	83
Adjusted current Ratio	2.8:1	0.69 : 1
Net Cash Reserves	£3,625k	£5,133k
Staff Costs as % of Income (Excluding FRS102)	65%	69%
Bank Loan Covenants	Compliance for Both	One Covenant Breached, however the bank has issued a Letter of Comfort.
ESFA Financial Health Grade	Good	Inadequate (self assessed as Requires Improvement).

*The college was inspected in October 2023 resulting in a grade of 'Requires Improvement' (see page 10)

Student achievements

Students continue to prosper at the College. The College enrolled 8,902 students in year. The College's student population included 2,194 16-to-18-year-old students, 647 apprentices, 128 higher education students, 57 international students and 5,867 adult

learners. This compares with 8,173 students in 2021-22. These comprised 1,894 16-to-18-year-old students, 633 apprentices in learning, 107 higher education students, 43 international students (non-UK nationals) and 5,496 adult learners.

Our learners continue to achieve at the College. In 2022-23, the overall achievement rate for Education Programmes for Young People was 84.2% compared to 80% in 2021-22. For apprentices the overall achievement rate was 54.3% compared to 56.5% in 2021-22. Learners Studying Adult Learning Programmes achieved at 80.6%, and learners studying on High Needs provision achieved at 86.4%. The achievement rate for the College's Higher Education courses was 83.5% compared to 80.5% in 2021/22.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. The target set by the Treasury for payment of suppliers within 30 days is 95 per cent. The College's payment policy complies with this requirement. The College incurred no interest charges in respect of late payment for this period.

Streamlined Energy and Carbon Reporting

The College is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Set up a Sustainability Governor Group to monitor practice and implementation of the College Strategy
- Engaged with a Sustainability Expert to support engagement on the importance of College action and next steps in our journey to net zero.
- Sponsored a student award for progress on sustainability.
- Implemented the AoC Sustainability Roadmap - a plan with milestones and actions for the next three years, with a staff and student climate action group. and teaching and learning alongside the estate. Replacement of 3 large boilers across the Bath and Radstock Campus with sustainable systems
- Ongoing replacement of lighting across Campuses, including fitting of PIRs
- Installation of mains fed water coolers to reduce plastics
- Reduction in the use of single use plastics within the catering department
- Introduction of food waste to meet the Environmental Act 2021 (Food Waste Regulations)

The College's energy use for the period 2022/23 was:

UK Greenhouse gas emissions and energy use data for the period	2022 -23
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	2,465,835kWh
Owned transport	0
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	1,453,341kWh

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.

Numbers of employees who were relevant period	FTE employee number
504	385
Percentage of Time	Number of employees
1-50%	14
51-99%	0
100%	0
Total Cost of Facility Time	£20,677.08
Total Pay Bill	£14,147,125.59
Percentage of pay bill spent on trade union activities	0.15%
Time spent on paid trade union activities	946 hours

EQUITY, DIVERSITY and INCLUSION

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, sex, gender reassignment, sexual orientation, disability, religion/belief, pregnancy/maternity, marriage/civil partnerships and age. We aim to create and maintain an inclusive organisation where all can work, learn and reach their full potential. This policy is resourced, implemented and monitored on a planned basis.

The College has identified a number of equality objectives for the four year period April 2020 to April 2024. In summary, these are:

Bath College will develop an equality analysis process to ensure the interests of people with protected characteristics are considered as part of the decision-making process.

Bath College will further promotion and advancement of the voice, views and support for those learners and staff who are disabled, including hidden disability or who have mental health needs.

Bath College will continue to reduce the achievement gap for all groups of learners so that achievement stays in line with or exceeds national achievement rates and that no learners are disadvantaged due to an identifiable characteristic and barriers to individual progression are removed.

Bath College will increase staff confidence to disclose their protected characteristics, particularly disability, transgender, religion and belief and sexual orientation.

Bath College will develop staff confidence to discuss protected characteristics and support learners through the promotion of our values.

The College's Equity Policy is published on the College's website.

The College publishes an Annual Report and sets Objectives in line with our duties under the Equality Act 2010. The College assesses the impact of proposed changes to practices and policies to ensure consideration is given to actions to help to avoid or mitigate any negative impacts on particular protected groups that might arise as a result of the proposed changes.

The College provides a mandatory training programme for all staff. Refresher training and training for new starters is carried out on an on-going basis.

Disability statement

The College is a 'Disability Confident Committed' employer and has committed to the principles and objectives of the Disability Confident standard. The College considers all employment applications from disabled people and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide role based training for all staff, and, wherever possible, to offer all staff the opportunity for career development and promotion.

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

- There is a range of assistive technology, including reading pens speech to text software, and equipment such as radio aids available to Learners in College
- The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The Inclusion Team offers support for Learners, both in class and out. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.
- In addition, the College actively focuses on individual student needs, successfully providing a curriculum that prepares learners with special needs for the transition to

adulthood. It currently has over 270 learners with high needs from 7 different local authorities providing access to learning.

Gender pay gap reporting

Gender pay gap reporting requires employers with 250 or more employees to publish statutory calculations every year showing the pay gap between male and female employees.

Reporting requirement	Year ending 31 March 2023
Mean gender pay gap	11.99%
Median gender pay gap	11.48%
Mean bonus gender pay gap	0%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0%/0%

The proportion of males and females in each quartile of the pay distribution are:

Quartile	Males	Females
1 - Lower quartile	28.3%	71.5%
2 – Lower middle	39.22%	60.78%
3 – Upper middle	41.75%	58.25%
4 – Upper quartile	51.46%	48.54%

The College publishes its annual gender pay gap report on its website.

Ethnic pay gap reporting

The College does not collect and publish an ethnic pay gap report presently but is committed to doing so in future years as part of its commitment to tackle pay disparities.

GOING CONCERN

At the meeting of the Governing body on 29 April 2024, members confirmed that the adoption of the going concern assumption is appropriate for the following reasons:

Whilst the College's financial position at the year end was a deficit of £2.3 million, the cash position at bank was strong. Cashflow forecasts for 2023/24 are predicted to be strong, resulting in a small surplus position. The College has embarked on a review of its operating model in order to ensure that its business approach is fit for purpose and economic in the financial climate. This involves focusing on growing areas on uncapped business; and associated funding streams. In addition, the appointment of a new Senior Postholder with a commercial development and business operations focus will be key to developing the College's strategic focus over the next 12-18 months.

One bank covenant was breached in 2022/23. However, whilst the outcome of negotiations with the lender have been positive and supportive, recognising the difficult financial climate and unusual circumstances the College finds itself, there is a possibility that the bank could

seek re-payment within the next 12 months and as such, the entire loan balance is shown within current liabilities.

The College does not have sufficient liquidity to settle this loan were it to be requested. Consequently, the governors consider this constitutes a material uncertainty which may cast doubt on the College's ability to continue as a Going Concern and realise its assets and settle its liabilities as they fall due. The college has established a financial recovery plan and is in the process of implementation.

The Governors are confident that the College can continue in operational existence for at least the next twelve months from the date of signing the financial statements and will retain the support of its bankers although this has not been formally communicated. For these reasons, the Governors continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

EVENTS AFTER THE REPORTING PERIOD

The College received an ESFA Investigation in to its subcontracting practices and received a penalty which has been accepted by the college and the impact of this have been included in these 22/23 financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Governing body on 29 April 2024 and signed on its behalf by:



Professor Andy Salmon

Chair

Bath College Governance Statement

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.

GOVERNANCE CODE

The College endeavours to conduct its business:

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

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code of Good Governance for English Colleges. Whilst the Governing body has not adopted the UK Corporate Governance Code, the Governing body has due regard to its principles and guidance. The College’s Corporate Governance arrangements seek to draw upon best practice available, including those aspects of the UK Corporate Governance Code considered to be relevant to the further education sector and best practice. An external Corporate Governance review is normally undertaken every 3 years and a review was undertaken in the Autumn term of 2023. The review recommended areas of improvement which the Corporation is taking forward as part of a prioritised implementation plan.

Based on the advice of the Audit Committee and the Principal & CEO, the Board of Governors is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for “the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets”.

THE CORPORATION

Members of 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.

Name	Appointment date	Term of office	Resignation date	Appointment status	Committee/ Groups served	Attendance *
Jayne Davis	September 2021	Ex-officio	20 February 2024	Principal & CEO	Governance & Search, Finance & Resources, Curriculum & Quality	83%
Andy Salmon	April 2021	4 years		External	Chair of the Corporation	83%
Erica Draisey	February 2016 and re-appointed 2020	4 years (2nd term)	Feb 2023	External	SSPRC (to 31 Oct 2021), Governance & Search, Chair of Curriculum & Quality	100%
Neil Wilson	February 2016 and re-appointed 2020	4 years (2nd term)	31 December 2023	External	Joint Vice Chair of Corporation (from 1 November 2021) Chair of Audit	100%
Mike Oram	June 2018 and re-appointed July 2022	4 years		External	NA	67%
Jenny Williams	June 2018 and re-appointed July 2022	4 years	30 April 2023	External	Curriculum & Quality	100%
Ian Tavener	February 2020	4 years	29 February 2024	External	Finance & Resources	100%
Lisa Ford	October 2020	4 years		External	Chair of Finance & Resources	83%
Victoria Downing-Burn	November 2020	4 years		External	Joint Vice Chair of Corporation (from 1 November 2021) Chair of SSPRC	83%
Allison Herbert	January 2022	4 years	12 Sept 2022	External	Curriculum & Quality	75%
Ian Stevenson	March 2022	4 years	15 May 2023	External	Audit	100%

Adam Gould	July 2022	4 years		External	Finance Resources &	100%
John Spindler	February 2023	4 Years	29 February 2024	External	Curriculum Quality Audit &	100%
Julie Evans	June 2023	4 years		External	Audit	100%
Robert Rashley	August 2022	4 years		Staff	Curriculum Quality &	100%
Isabella Eddahar	October 2022	1 year	8 December 22	Student	NA	NA
Isabella Eddahar	Reappointed October 23	1 year		Student	NA	83%
Hrshikumar Ganesh	October 2022	1 year	1 July 23	Student	NA	100%
Appointment of Co-opted member/Associate						
Saiyada Fazal	January 2022	1 year	25 Nov 22	External	NA	NA
Jenny Williams	May 2023	1 year		External	NA	NA
Erica Draisey	February 2023	6 months	31 July 23	External	NA	NA
Appointments made after year end but before Financial Statements signature						
Patrick Weidikj	October 2023	4 years		External	Finance Resources &	NA
Paul Conroy	October 2023	4 years		External	Curriculum Quality &	NA
Felix Hebblethwaite	October 2023	4 years	29 February 2024	External	Audit	NA
Appointment of Co-opted members/Associate Governors						
Nichola McNulty	October 2023	1 year		External	NA	NA
Marie Claire Haines	October 2023	1 year		External	NA	NA

Pascal Loizeau	October 2023	1 year		External	NA	NA
Kim Moubray	October 2023	1 year		External	NA	NA

The Governance Framework

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 staff-related matters such as health and safety and environmental issues. The corporation meets half-termly routinely and since November 2023 has met on a monthly basis to ensure appropriate oversight of financial and quality matters..

The corporation conducts its business through several committees. Each committee has terms of reference, which have been approved by the corporation. In 2022/23 these committees were Audit, Senior Staff Performance and Remuneration (SSPRC) and Governance and Search. The corporation also convened working groups to review finance and estates matters and those pertaining to curriculum issues.

Full minutes of all Corporation meetings, except those deemed to be confidential by the corporation, are available on the College's website (www.bath.ac.uk) or from the clerk to the corporation at the College's registered address and minutes of committee meetings are available on request.

The corporation has introduced committees to cover Finance and Resources and Curriculum and Quality matters for 2023/4.

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 can take independent professional advice in furtherance of their duties at the College's expense and have access to the clerk to the corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the clerk are matters for the corporation.

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

The corporation has a strong and independent non-executive element (governors), and no individual or group dominates its decision-making process. This was tested as part of the corporation self-evaluation process to the affirmative and has been reviewed as part of the External Governance Review 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 member appointments to the corporation are a matter for the consideration of the corporation. The corporation has a Governance and Search committee, consisting of three members of the corporation in 2022/3 (the terms of reference have been reviewed for 2023/24 to include additional expertise and objective insight in Associate members), 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 in response to governor appraisals and skills audits. Training and Development is offered in house and through the use of specialists such as the AoC.

Members of the corporation are appointed for a term of office not exceeding four years with the option to renew for one further term. Associate members are appointed for a term of between 6 months and one year and may renew for up to four years.

Corporation performance

The corporation carried out a self-assessment of its own performance for the year ended 31 July 2023 to identify areas where development might be required.

An external review of governance took place in the Autumn 2023 and the report was published in January 2024. The Board has agreed an implementation plan in order to take forward a range of projects order to achieve excellence. Recruitment to a series of Governor vacancies is a priority for the Governance and Search Committee at the present time.

The Governance & Search Committee monitors performance and attendance of governors. The Chair and Head of Governance hold induction meetings with new governors and the Chair also has individual meetings with each Governor to review feedback and set objectives. The outputs from these are being used to improve corporate performance and inform development.

New governors completed the skills evaluation undertaken by all governors in the Autumn term and the results are used by the Governance & Search Committee to determine the skills needed for succession planning as well as for Governor development needs. Regular training and development take place for Governors including offering external, Association of Colleges (AoC), Education and Training Foundation (ETF) and College training. This includes regular updates and training on Safeguarding and Prevent and networking with other governors. Link roles for governors include Safeguarding, Teaching, Learning & Assessment, Health and Safety, SEND and Digital Skills.

A Health and Safety link governor is a member of the College's Health & Safety Committee. More latterly, the introduction of Associate members will enable the appointment of a Sustainability lead Governor and a Policy lead Governor. The departure of the safeguarding lead governor has left a gap which is being filled with urgency.

Remuneration Committee

Throughout the year ending 31 July 2023 the College's Remuneration Committee comprised three 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. The College has adopted the AoC Senior Staff Remuneration Code in its pay policy as far as it relates to senior members of staff.

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

Audit Committee

The Terms of Reference for the Audit Committee have been reviewed for the year 2023/4 and the membership has been increased to include an additional member and two associate members. 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 auditors, reporting accountants 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 auditor (appointed on 1st September 2023) reviews 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 periodic follow-up reviews to ensure such recommendations have been implemented.

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

The audit committee met three times in the year to 31 July 2023 and then again on 29 November 2023 . Due to changes in the membership of the Governing Body in year there was some change in the make up of the Committee but remained under the constant stewardship of the Chairman.

The members of the committee and their attendance records are shown below:

Committee member	November 2022 meeting	March 2023 meeting	June 2023 meeting
Mr N Wilson	present	Resent	present
Ms E Draisey	present	Not Applicable	Not Applicable
Mr I Stevenson	present	Present	Not Applicable
Mr J Spindler	Not Applicable	Present	present
Ms J Evans	Not Applicable	Not Applicable	present

Committee member	November 2023 meeting
Mr N Wilson	present
Mr F Hebblethwaite	present
Ms M C Haines	present
Mr J Spindler	present
Ms J Evans	Not Applicable

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 during the year to the Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Bath College and the funding bodies. During the period the position of Accounting Officer was held by the Principal and CEO until 20 February 2024. On 21 February the Director of Operations became Interim Accounting Officer. The Interim Principal and Chief Executive then became Accounting Officer on his appointment on 4 April 2024 and the position remains with him at the time of writing.

The Accounting Officer is 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 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 Bath 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 and is considered adequate. Steps to improve in order to reflect best practice are in place.

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:

- budgeting systems with an annual budget, which is reviewed and agreed by the governing body and the finance working group/Committee
- 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 and monitoring thereof
- clearly defined capital investment control guidelines and monitoring thereof

The College has a single internal audit service with effect from 1st September 2023, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. During 2022-23 the College worked with more than one internal audit firm to ensure a comprehensive workplan of assurance. The work of the internal audit service is informed by an analysis of the risks 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.

Responsibilities under funding agreements

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

Review of effectiveness

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

- the work of the internal auditors engaged during the year
- the work of senior postholder and senior management team within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the Director or Finance, the appointed funding auditors 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

programme for internal audit during the year and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention through a dashboard reporting system. The senior management team and the Audit Committee also receive regular reports from internal auditors 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 (review of risk registers) and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance. At its 29 April 2024 meeting, the corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2023.

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

Approved by order of the members of the Corporation on 29 April 2024 and signed on its behalf by:

Professor Andy Salmon

Chair



Martin Sim

Accounting Officer

Bath College

Statement of Regularity, Propriety and Compliance

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

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

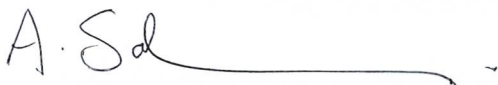
I confirm that no instances of material irregularity, impropriety, funding noncompliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.



Martin Sim
Accounting officer
29 April 2024

Statement of the chair of governors

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



Professor Andy Salmon
Chair of Governors
29 April 2024

Bath College

Statement of Responsibilities of the Members of the Corporation

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

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

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The corporation is also required to prepare a Members' Report which 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 College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the 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 29 April 2024 and signed on its behalf by:

A handwritten signature in black ink, consisting of the letters 'A' and 'S' followed by a long horizontal flourish.

Professor Andy Salmon

Chair of Governors

Bath College

Independent Auditor's Report on the Financial Statements

Opinion

We have audited the financial statements of Bath College (the 'Corporation') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, Statements of Changes in Reserves, Balance Sheet and Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2022 to 2023.

In our opinion, the financial statements:

- give a true and fair view of the state of the Corporation's affairs as at 31 July 2023 and of the Corporation's income and expenditure, gains and losses, changes in reserves and the cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, College Accounts Direction 2022 to 2023 and the Office for Students' Accounts Direction.

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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy in note 1 of the financial statements, which indicates that during the year, the Corporation was in breach of a banking covenant and, as a result, its bank loan has been classified as being repayable on demand. The Corporation does not have sufficient liquidity to settle this loan were it to be requested.

As stated in note 1, the significant challenges and uncertainties caused by this indicate that a material uncertainty exists that may cast doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

In our opinion:

- funds from whatever source administered by the Corporation for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS') and Research England have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

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

Responsibilities of the Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 26, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the Corporation 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.

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

- the nature of the sector, control environment and the Corporation's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the Corporation's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Corporation's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Corporation ensured it met its obligations arising from it being financed by and subject to the governance requirements of the ESFA and OfS, and as such material compliance with these obligations is required to ensure the Corporation will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;

- how the Corporation ensured it met its obligations to its principal regulator, the Secretary of State for Education;
- review of outcome of any reviews completed by the ESFA; and
- the matters discussed among the audit engagement team and involving relevant internal Corporation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Corporation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, the FE HE SORP, the UK Companies Act and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Corporation's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Corporation's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the ESFA and OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also

greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Corporation, in accordance with Article 16 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to it 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 Corporation, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park Exeter
EX1 3QS
Date: *30/4/24*

Bath College

Reporting accountant's assurance report on regularity to the Corporation of Bath College ("the College") and Secretary of State for Education acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 11 April 2022 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Bath 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 ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of Bath College and the reporting accountant

The Corporation of Bath 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 jointly by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the College's activities;
- Evaluation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the College's self-assessment questionnaire (SAQ);
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk;
- Confirming through enquiry and understanding the control environment that the College has policies and delegated authorities in respect of procurement; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

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 that the financial transactions do not conform to the authorities that govern them.

Bishop Fleming LLP

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park Exeter
EX1 3QS

Date: *30/4/24*

Bath College

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
INCOME			
Funding body grants	2	18,515	18,032
Tuition fees and education contracts	3	2,829	2,683
Other income	4	1,326	1,249
Investment income	5	105	12
Total income		22,775	21,976
EXPENDITURE			
Staff costs	6	15,273	14,428
Other operating expenses	7	7,595	6,664
Depreciation	11	1,765	1,597
Interest and other finance costs	9	429	436
Total expenditure		25,062	23,125
(Deficit) before other gains and losses		(2,287)	(1,149)
Loss on disposal of assets		-	-
(Deficit) before tax		(2,287)	(1,149)
Taxation	10	-	-
(Deficit) for the year		(2,287)	(1,149)
Actuarial gain in respect of defined benefit pension liability	22	5,720	12,227
Actuarial gain in respect of enhanced pension scheme	17	184	278
Total Comprehensive Income for the year		3,617	11,356

All items of income and expenditure relate to continuing activities.

Bath College

Statement of Changes in Reserves

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2021	(6,163)	4,097	(2,066)
(Deficit) from the income and expenditure account	(1,149)	-	(1,149)
Other comprehensive income	12,505	-	12,505
Transfers between revaluation and income and expenditure reserves	94	(94)	-
Total comprehensive income	11,450	(94)	11,356
Balance at 31 July 2022	5,287	4,003	9,290
(Deficit) from the income and expenditure account	(2,287)	-	(2,287)
Other comprehensive income	5,904	-	5,904
Transfers between revaluation and income and expenditure reserves	93	(93)	-
Total comprehensive income	3,710	(93)	3,617
Balance at 31 July 2023	8,997	3,910	12,907

Bath College

Balance sheet as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Tangible fixed assets	11	34,392	34,027
Intangible assets	12	63	-
		34,455	34,027
Current assets			
Stocks		98	86
Trade and other receivables	13	859	629
Cash and cash equivalents	18	5,133	3,903
		6,090	4,618
Creditors – amounts falling due within one year	14	(10,052)	(4,453)
Net current (liabilities)/assets		(3,962)	165
Total assets less current liabilities		30,493	34,192
Creditors – amounts falling due after more than one year	15	(13,086)	(15,023)
Provisions			
Defined benefit obligations	17	(2,974)	(8,095)
Other provisions	17	(1,526)	(1,784)
Total net assets		12,907	9,290
Unrestricted Reserves			
Income and expenditure account		8,997	5,287
Revaluation reserve		3,910	4,003
Total unrestricted reserves		12,907	9,290
Total reserves		12,907	9,290

The financial statements on pages 37 to 66 were approved and authorised for issue by the corporation on 29 April 2024 and were signed on its behalf on that date by:

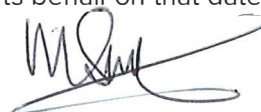
Professor Andy Salmon

Chair



Martin Sim

Accounting Officer



Bath College

Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
(Deficit) for the year		(2,287)	(1,149)
Adjustment for non-cash items			
Depreciation		1,765	1,597
(Increase) in stocks		(12)	(5)
(Increase)/decrease in debtors		(230)	946
Increase/(decrease) in creditors due within one year, excluding government capital grants and bank loans		2,673	(295)
Release of government capital grants		(1,034)	(872)
FRS 102 (s28) charge		330	908
(decrease) in provisions		(132)	(126)
Adjustment for investing or financing activities			
Investment income		(105)	(12)
Interest payable		429	436
Net cash flow from operating activities		1,397	1,428
Cash flows from investing activities			
Investment income		105	12
Government capital grants received		2,230	859
Payments made to acquire fixed assets		(2,193)	(1,480)
		142	(609)
Cash flows from financing activities			
Interest paid		(102)	(102)
Movement on bursary scheme		(1)	(2)
Repayments of amounts borrowed		(206)	(206)
		(309)	(310)
Increase in cash and cash equivalents in the year		1,230	509
Cash and cash equivalents at beginning of the year	18	3,903	3,394
Cash and cash equivalents at end of the year	18	5,133	3,903

Bath College

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022-3 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

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 cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

A bank covenant was breached in 2022/23. However, whilst the outcome of negotiations with the lender have been positive. The College does not have sufficient liquidity to settle this loan were it to be requested. Consequently, the governors consider this constitutes a material uncertainty which may cast doubt on the College's ability to continue as a Going Concern and realise its assets and settle its liabilities as they fall due. The college has established a financial recovery plan and is in the process of implementation.

The Governors are confident that the College can continue in operational existence for at least the next twelve months from the date of signing the financial statements and will retain the support of its bankers although this has not been formally communicated. For these reasons, the Governors continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved.

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

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

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

Capital grant funding

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

Fee income

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

Investment income

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

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These

are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Bath and North East Somerset 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.

Bath and North East Somerset Local Government Pension Scheme (LGPS)

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

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

Short term Employment benefits

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

Enhanced Pensions

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and buildings

Freehold buildings are depreciated on a straight-line basis over their expected useful lives

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

Freehold buildings are depreciated over their expected useful economic life to the College of 50 years or less if appropriate. The College depreciates major adaptations to buildings over the building's remaining useful economic life.

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

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

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- motor vehicles and general equipment 5 years
- computer equipment 4 years
- furniture, fixtures and fittings 5 – 15 years

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

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

Intangible assets and goodwill

Computer software licences

Acquired computer software licences are initially capitalised at cost, which includes the purchase price and other directly attributable costs of preparing the asset for its intended use. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the Statement of Comprehensive Income using the straight-line method over their estimated useful lives of four years.

The amortisation period and amortisation method of computer software licences are reviewed at least at each balance sheet date. The effects of any revision are recognised in the Statement of Comprehensive Income when changes arise.

Borrowing costs

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

Leased assets

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

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

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

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

Stocks

Stocks of raw materials and consumables are stated at the lower of their cost (using the first in first out method) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Foreign currency translation

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% 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.

Provisions and contingent liabilities

Provisions are recognised when

- the College has a present legal or constructive obligation as a result of a past event

- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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

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

Other key sources of estimation uncertainty

- 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.
- 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 21 will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value 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.

2. Funding body grants

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Recurrent grants		
ESFA – 16-18	11,771	11,121
ESFA and Devolved Authority– adult education budget	2,982	3,148
ESFA – Apprenticeships	1,698	1,854
Office for students (OfS)	93	110
Other recurrent grant	472	510
Specific grants		
Teacher Pension Scheme contribution grant	465	417
Releases of government capital grants	1,034	872
Total	18,515	18,032

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Details of grant and fee income		
Grant income from the OfS	93	110
Grant income from other bodies	17,388	17,050
Fee income for taught awards (exclusive of VAT)	117	239
Fee income from non-qualifying courses (exclusive of VAT)	2,712	2,444
Total grant and fee income	20,310	19,843

3. Tuition fees and education contracts

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
ESFA 14 – 16 fees	121	-
Adult education fees	579	921
Apprenticeship fees and contract	20	3
Fees for FE loan supported courses	87	276
Fees for HE loan supported courses	117	239
International students' fees	915	796
Total tuition fees	1,839	2,235
Education Contracts	990	448
Total	2,829	2,683

4. Other income

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Catering	177	156
Miscellaneous income	1,149	1,093
Total	1,326	1,249

5. Investment income

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Other interest receivable	105	12
Total	105	12

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	2022
	No.	No.
Teaching staff	192	166
Non-teaching staff	193	170
	385	336

Staff costs for the above persons

	2023	2022
	£'000	£'000
Wages and salaries	11,289	9,843
Social security costs	1,004	830
Other pension costs including FRS 102 (s28) adjustments of £330k (2022 £908k)	2,655	2,865
	14,948	13,538
Payroll sub total		
Contracted out staffing services	263	849
	15,211	14,387
Restructuring costs	62	41
Total Staff costs	15,273	14,428

The College offers some salary sacrifice arrangements, available to all staff.

Restructuring costs are approved in accordance with College policy and are recognised at the point at which an 'obligating event' has occurred.

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 during the year comprised the Principal, the Deputy Principal and the Director of Finance & MIS.

Staff costs include compensation paid to key management personnel for loss of office. No such payments were made during the year.

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:	3	3

The number of key management personnel and other staff who received annual emoluments, excluding employer contributions to national insurance and pensions, in the following ranges was:

	Key management personnel		Other staff	
	2023 No.	2022 No.	2023 No.	2022 No.
£10,501 to £15,000	1	1		
£20,001 to £25,000	0	1		
£25,001 to £30,000	0	1		
£50,001 to £55,000	1	0		
£60,001 to £65,000	0	1	0	0
£75,001 to £80,000	1	0	0	0
£125,001 to £130,000	1	1	0	0
	4	5	0	0

Key management personnel compensation is made up as follows:

	2023 £'000	2022 £'000
Basic salary	271	255
Benefits in kind	0	0
Pension contributions	61	54
Total key management personnel compensation	332	309

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2023	2022	2022
	£'000	£'000	£'000
Basic salary	130	119	29
Benefits in kind	-	-	-
Pension contributions	31	28	3
	<hr/>		
	161	147	32

The pension contributions in respect of the Principal and key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme and Local Government Pension Scheme, and are paid at the same rate as for other employees. There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

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

The governing body adopted AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles. The remuneration package of key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The Principal and Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of her 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	2022
	£'000	£'000
Principal's basic salary as a multiple of the median of all staff	4.8	5.1
Principal and CEO's total remuneration as a multiple of the median of all staff	4.9	4.6

Severance payments

The College paid 10 severance payments in the year, disclosed in the following bands:

0 - £25,000	9
£25,001 - £50,000	1

Included in staff restructuring costs are special severance payments totalling £62,018 (2022: £41,000). Individually the payments were £525, £1,443, £1,486, £2,881, £2,932, £2,937, 3,319, £6,520, 12,000 and £27,975

7. Other operating expenses

	2023	2022
	£'000	£'000
Teaching costs	2,634	2,148
Non-teaching costs	3,267	2,877
Premises costs	1,694	1,639

Total	7,595	6,664
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Other operating expenses include:

	2023	2022
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	29	25
Other services provided by the financial statements auditor – Teachers Pension Scheme audit	1	-
Internal audit fees	15	14
Hire of assets under operating leases	82	11

8. Access and participation expenditure

	2023	2022
	£'000	£'000
Financial support	62	80
Disability support	165	601
Total	227	681

£227,000 (2022 £681,000) of these costs are already included in the overall costs figures included in the financial statements.

Full details of the Access & Participation plan for Bath College is published on the website and can be found at <https://www.bathCollege.ac.uk/sites/default/files/2021-06/Access-And-Participation-Plan-2019-20.pdf>

9. Interest and other finance costs

	2023	2022
	£'000	£'000
On bank loans, overdrafts and other loans:	102	102
	102	102
Interest costs on enhanced pension provision	58	34
Net interest on defined pension liability (note 21)	269	300
Total	429	436

10. Taxation

The members do not believe that the College was liable for any corporation tax arising out of its activities for the current or prior period.

11. Tangible fixed assets

	Land and buildings		Equipment	Assets in the	Total
	Freehold	Leasehold	£'000	course of	£000
	£'000	£'000		construction	
				£'000	
Cost or valuation					
At 1 August 2022	42,944	687	11,546	448	55,625
Additions	-	-	-	2,193	2,193
Transfers	601	-	1,839	(2,546)	(106)
Disposals	-	-	(60)	-	(60)
At 31 July 2023	43,545	687	13,325	95	57,652
Depreciation					
At 1 August 2022	11,347	601	9,650	-	21,598
Charge for the year	1,050	16	699	-	1,765
Transfers	-	-	(43)	-	(43)
Disposals	-	-	(60)	-	(60)
At 31 July 2023	12,397	617	10,246	-	23,260
Net book value at 31 July 2023	31,148	70	3,079	95	34,392
Net book value at 31 July 2022	31,597	86	1,896	448	34,027

The College carries inherited assets at a value of £3,910,060 (2022: £4,003,220). These assets were valued on incorporation and the historic cost of these assets is £nil.

12. Intangible assets

	£'000
Cost or valuation	
At 1 August 2022	269
Transfers	106
Disposals	(269)
At 31 July 2023	106
Amortisation	
At 1 August 2022	269
Transfers	43
Disposals	(269)
At 31 July 2023	43
Net book value at 31 July 2023	63
Net book value at 31 July 2022	-

13. Trade and other receivables

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	177	163
Prepayments and accrued income	482	376
Amounts owed by Funding bodies	200	90
Total	859	629

14. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank loans and overdrafts	2,709	206
Trade payables	534	359
Other taxation and social security	226	216
Accruals and deferred income	871	1,037
Deferred income - capital grants	1,235	812
Amounts owed to the ESFA	1,054	297
Payments received in advance	541	288
Other creditors	2,787	1,185
Apprenticeship Incentive Control account	95	53
Total	10,052	4,453

15. Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Bank loans	-	2,709
Bursary scheme	108	109
Deferred income - government capital grants	12,978	12,205
Total	13,086	15,023

The Bursary scheme is a donated fund made available to assist eligible full time students with course fees, travel and course related items.

16. Maturity of debt

Bank loans and overdrafts

Bank loans are repayable as follows:	2023	2022
	£'000	£'000
In one year or less	2,709	206
Between one and two years	-	206
Between two and five years	-	2,503
In five years or more	-	-
Total	2,709	2,915

The College had no overdrafts during the year

The College's bankers are Barclays Bank Plc. As part of the loan agreements with the Bank the College agreed several covenants, compliance with which is measured by the Bank at each year end. These covenants were not met as at 31 July 2023.

The bank borrowings consist of the balance on a loan of £3,172,500 repayable over 5 years from April 2021, with a 5 year fixed rate of interest of 3.337%. At 31st July 2023, the balance outstanding on the loan was £2,709,000.

This facility is secured against the William Herschel building, Bath. Barclays Bank also holds a general mortgage over the freehold property at South Hill Park, Radstock.

17. Provisions

	Defined benefit obligations	Enhanced pensions	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2022	8,095	1,764	20	9,879
Expenditure in the period	(871)	(132)	-	(1,003)
Released in the period	(4,250)	-	-	(4,250)
Interest cost	-	58	-	58
Actuarial gain on Enhanced Pension	-	(184)	-	(184)
At 31 July 2023	2,974	1,506	20	4,500

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 enhanced pension provision relates to the cost of staff who have already left the College's employ.

The principal assumptions for this calculation are:

	2023	2022
Price inflation	2.7%	2.7%
Discount rate	5.1%	3.5%

18. Cash and cash equivalents

	At 1 August 2022	Cash flows	Other changes	At 31 July 2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	3,903	1,230	-	5,133
Overdrafts	-	-	-	-
Total	3,903	1,230	-	5,133

19. Capital and other commitments

	Group and College	
	2023	2022
	£'000	£'000
Commitments contracted for at 31 July	-	-

20. Lease obligations

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

	2023 £'000	2022 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	95	78
Later than one year and not later than five years	298	312
Later than five years	-	-
	<u>393</u>	<u>390</u>
Other		
Not later than one year	66	68
Later than one year and not later than five years	174	161
Later than five years	-	-
	<u>240</u>	<u>229</u>
Total lease payments due	<u><u>633</u></u>	<u><u>619</u></u>

21. Contingencies

The College is currently facing legal proceedings against it by an organisation claiming payment for work it claims to have done on the College's behalf amounting to £426k. The College does not believe anything is due to this organisation and is defending the claim. The case is proceeding, and in the College's view the probability of the claim being successful is not greater than fifty percent, therefore no financial provision has been made in these accounts.

22. Defined benefit obligations

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

Total pension cost for the year	2023	2022
	£000	£000
Teachers' Pension Scheme: contributions	1,442	1,153
Local Government Pension Scheme:		
Contributions paid	790	595
FRS 102 (28) charge	330	908
Charge to the Statement of Comprehensive Income	1,120	1,503
Enhanced pension charge to Statement of Comprehensive Income	132	126
Total Pension Cost for Year within staff costs	<u>2,694</u>	<u>2,782</u>

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 Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a

notional past service deficit of £39,800 million the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The next valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027.

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Bath and North East Somerset Council. The total contributions made for the year ended 31 July 2023 were £1,064,000, of which employer's contributions totalled £790,000 and employees' contributions totalled £274,000. The agreed contribution rates for future years are 17.3% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale. Under the funding policy,

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

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	4.2%	4.2%
Future pensions increases	2.8%	2.8%
Discount rate for scheme liabilities	5.1%	3.5%
Inflation assumption (CPI)	2.7%	2.7%

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

	At 31 July 2023	At 31 July 2022
	Years	Years
<i>Retiring today</i>		
Males	22.0	23.1
Females	24.0	25.3
<i>Retiring in 20 years</i>		
Males	23.2	24.6
Females	25.7	27.3

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

	Fair Value at 31 July 2023 £'000	Fair Value at 31 July 2022 £'000
Equities	9,710	13,055
Government bonds	6,009	3,130
Other bonds	2,575	2,308
Property	1,835	2,308
Cash/liquidity	296	95
Other	9,177	10,716
Total fair value of plan assets	29,602	31,612
Actual return on plan assets	(2,010)	1,241

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

	2023 £'000	2022 £'000
Fair value of plan assets	29,602	31,612
Present value of plan liabilities	(32,576)	(39,707)
Net pensions (liability) (note 17)	(2,974)	(8,095)

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	(1,174)	(1,565)
Employer contributions	871	682
Effect of curtailments	-	(4)
Administration expenses	(27)	(21)
Total	(330)	(908)
Amounts included in investment income		

Expected return on pension scheme assets	1,111	490
Interest on pension liabilities	(1,380)	(790)
Net interest (cost)	(269)	(300)

Amount recognised in Other Comprehensive Income

Return on pension plan assets	(3,345)	207
Changes in assumptions underlying the present value of plan liabilities	9,065	12,020
Amount recognised in Other Comprehensive Income	5,720	12,227

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

	2023	2022
	£'000	£'000
Net defined benefit (liability)/asset in scheme at 1 August	(8,095)	(19,114)
Movement in year:		
Current service cost	(1,174)	(1,565)
Employer contributions	871	682
Administration expenses	(27)	(21)
Curtailments	-	(4)
Net interest on the defined (liability)/asset	(269)	(300)
Actuarial gain or loss	5,720	12,227
Net defined benefit (liability)/asset at 31 July	(2,974)	(8,095)

Asset and Liability Reconciliation

	2023	2022
	£'000	£'000

Changes in the present value of defined benefit obligations

Defined benefit obligations at start of period	39,707	49,485
Current service cost	1,174	1,565
Interest cost	1,380	790
Contributions by Scheme participants	274	211
Changes in financial assumptions	(9,065)	(12,020)
Estimated benefits paid	(894)	(328)
Curtailments and settlements	-	4
Defined benefit obligations at end of period	32,576	39,707

Changes in fair value of plan assets

Fair value of plan assets at start of period	31,612	30,371
Interest on plan assets	1,111	490
Return on plan assets	(3,345)	207
Administration expenses	(27)	(21)
Employer contributions	871	682
Contributions by Scheme participants	274	211
Estimated benefits paid	(894)	(328)
Fair value of plan assets at end of period	29,602	31,612

23. Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £145; 1 governor (2022: £Nil). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2022: None).

A summary of such transactions is as follows:

Organisation	Governor	Capacity	2022/23		Nature of transaction
			Total	Out-standing	
			£000	£000	
<i>Income</i>					
Bath Spa University	Andy Salmon	Employee	107	50	Course income
Buro Happold	Ian Tavener	Employee	1	-	Course income
Curo Holdings	Julie Evans	Employee	6	-	Course income
Bath and North East Somerset Council	Lisa Ford	Employee	79	-	Realising Talent programme / Contribution to SEND centre / course income

NHS Somerset	Victoria Downing-Burn	Employee	11	-	Off The Record services CCG funding
Expenditure					
Komedia	Andy Salmon	Trustee /Director	4	1	Venue hire
Asdan Ltd (Award Scheme and Designation Network)	Jenny Williams	Employee	1	-	Annual Centre Fee
iO Academy	Mike Oram	Director	12	-	Partnership costs
Curo holdings	Julie Evans	Employee	21	-	Venue hire
Bath and North East Somerset Council	Lisa Ford	Employee	140	2	Business rates, unfunded LGPS contributions, Venue hire
Royal United Hospitals Bath	Victoria Downing-Burn	Employee	4	-	Occupational Health services
Bath Business Improvement District	Alison Herbert	Employee	1	-	College membership of Bath BID
University of Bath	Adam Gould	Employee	313	0	Building rental, International Student costs,
Theatre Royal Bath	Jayne Davis	Trustee /Director	160	14	Partnership costs

24. Amounts disbursed as agent - Learner support funds

	2023	2022
	£000	£000
Balance brought forward	184	114
Other Funding body grants – discretionary learner support	203	167
	<u>387</u>	<u>281</u>
Disbursed to students	(113)	(97)
Amounts unspent in previous years	162	-
Balance unspent as at 31 July, included in creditors due within 1 year	<u>436</u>	<u>184</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.

25. Events after the reporting period

The College received an ESFA Investigation in to its subcontracting practices and received a penalty which has been accepted by the college and the impact of this have been included in these 22/23 financial statements.