



Annual Report and Financial Statements

Year ended 31 July 2023

BASINGSTOKE  
COLLEGE of  
TECHNOLOGY



## Key Management Personnel, Board of Governors and Professional Advisers

### Key management personnel

Key management personnel are defined as members of the Group's Leadership Team and were represented by the following in 2022/23:

#### Basingstoke College of Technology

Anthony Bravo, Principal

David Moir, Deputy Principal (Finance and Resources)

Lorraine Heath, Deputy Principal (Curriculum, Performance and Innovation)

Alexis Smith, Assistant Principal (Foundation Learning & Student Voice)

#### West Berkshire Training Consortium

Claire Richards, Interim Executive Director (left 03/02/2023)

Liam Faughnan, Executive Director (Consultant, joined 01/02/2023, left 30/06/2023)

Geoff Arthur, Director of Finance and Operations

### Board of Governors

A full list of College Governors is given on page 19 of these financial statements.

Mr Simon Burrell acted as Clerk to the Corporation throughout the period.

### Professional advisers

Financial statements auditors and reporting accountants:

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

Internal auditors:

TIAA Ltd,  
Artillery House,  
Fort Fareham,  
Fareham  
PO14 1AH

### Bankers:

Barclays Bank plc  
Corporate banking  
Wytham Court  
11 West Way  
Oxford  
OX2 0JB

Lloyds Bank plc  
33 Old Broad Street  
London  
EC2N 1HZ

### Solicitors:

Lamb Brooks  
Victoria House  
39 Winchester Street  
Basingstoke  
RG21 7EQ

Eversheds LLP  
Kett House  
Station Road  
Cambridge  
CB1 2JY

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## **Strategic Report**

### **OBJECTIVES AND STRATEGY**

The governing body presents its annual report together with the financial statements and auditor's report 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 Basingstoke College of Technology (BCoT). The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The College has two fully-owned subsidiary companies:

BCoT Professional services Ltd - provides educational services to Basingstoke College of Technology

West Berkshire Training Consortium Limited (WBTC) - a well-established apprenticeship training provider based in Newbury.

Also included within 'The BCoT Group' are Aspiral Learning, which delivers apprenticeships and skills training to business, and The Future Skills Centre, a construction training centre at Bordon & Whitehill. These are separately branded divisions within Basingstoke College of Technology.

#### **Our Vision and Mission**

The Corporation produced a new strategic plan during the year for the period 2021 to 2025:

Our Purpose: Building Careers of Tomorrow

Our Vision: Inspiring our students to realise their full potential

#### **Our Strategic Plan**

The strategic plan reinforces the College's primary purpose which is to serve our local community and provide our learners with the skills they need to be successful in the workplace, or progress onto further study. The College aims to provide a different, more active approach to learning using technology and digital tools to improve the learning experience for staff and students.

Our ethos is articulated in the plan as "Every student should enjoy their learning experience and leave the College equipped with the skills and knowledge to be successful in their chosen field".

The College is employer led, we will ensure that our curriculum adapts to deliver skills required in the regional and national economy by working closely with businesses, sector bodies and stakeholders.

The Strategic Plan identifies six transformational themes on which the college will focus its development:

- Digital skills
- Personal and Professional Development
- Putting employers in the driving seat
- Delivering high quality T levels
- Expansion of higher-level provision in Basingstoke
- Leading a low carbon future

#### **Resources**

The Group employs 380 people, of whom 120 are teaching staff.

The College enrolled 5,518 students during 2022/23, a very similar level to the previous year. The College's student population includes 1,397 16-to-18-year-old College-based students, 679 apprentices (all ages), 3,356 adult students and 86 14-16 aged learners.

## **BASINGSTOKE COLLEGE OF TECHNOLOGY: Financial Statements for the Year Ended 31 July 2023**

The Group has £39.0 million of net assets (including a £0.8 million pension liability in relation to the Enhanced Pension Scheme). The Group has no long-term debt (2021/22: £nil) excluding provisions in relation to the pension schemes in place.

Tangible resources include the main College site (reinstatement cost valued at £58.4 million in 2022) and net current assets of £8.9 million. The Group expects to maintain existing levels of net current assets over the next two years.

### **Property Strategy**

The College has invested heavily over the last twelve years to improve its accommodation and establish a high level of industry standard resources across the College. Consequently, we often find that government funding for capital investment in the sector is targeted at other institutions where need is greater.

Since clearing down its 20-year mortgage in 2016 the College is debt free and intends to maintain this position whilst the FE funding regime remains tight and colleges are prohibited from taking external borrowing. A new property strategy was produced in 2020.

The College property strategy has identified F block as most in need of investment, this is the College's main teaching block which was constructed in the 1970s. Internal refurbishment has been completed, the next phases of the project are to replace the curtain walling in order to improve the teaching environment and reduce the building's carbon footprint, including the installation of solar pv. This work is being funded primarily from College reserves, supplemented by various capital grants allocated by government over the last twelve months.

The College does not have any RACC.

After completion of the F block works the College intends to implement a series of carbon reduction initiatives to accelerate its move towards net zero. Cash reserves are being held to fund this investment, which will also require external funding support.

Space utilisation remains a conundrum. Many of the College's vocational teaching resources are specialist and do not lend themselves to use for other activities. Consequently, vocational space is under-utilised when compared against the ESFA's space norms. To re-purpose such spaces is both expensive and risks leaving the College under-resourced to manage increases in demand in the future. The approach is therefore to repurpose space only when there is insufficient capacity in another area, necessitating expansion into other areas. Space utilisation is under constant review, and this will become a greater priority as the College looks to reduce its carbon use in the future.

The College also leases the Future Skills Centre at Bordon from Hampshire County Council. This is a 25-year lease with break points available throughout the lease term. This brand-new construction training centre was opened in September 2017.

West Berkshire Training Consortium operates from leased premises in the centre of Newbury which are adequate for the company's needs for the foreseeable future.

### **Stakeholders**

The BCoT Group's primary purpose is to serve communities and businesses in the North Hampshire and West Berkshire region. It places particular emphasis on engaging meaningfully with its stakeholders who include:

- Current, future and past students;
- Education and Skills Funding Agency;
- Staff;
- Parents;
- Local employers;
- Basingstoke & Deane, East Hampshire and West Berkshire District Council;
- Hampshire County Council;
- Enterprise M3 Local Enterprise Partnership;
- Hampshire Chamber of Commerce;
- Other FE institutions;

- Awarding bodies;

### **Public Benefit**

Basingstoke College of Technology is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 19.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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.

In delivering its mission, the College provides public benefit through:

- Its community impact - enriching the lives and transforming the futures of its learners
- Its economic impact - adding value to the regional economy through skills training and employer engagement
- Its environmental impact - reducing its carbon footprint and educating the future workforce about sustainability

## **DEVELOPMENT AND PERFORMANCE**

### **Financial Results**

The Group financial results for 2022/23 exceeded expectations. Through careful cost management the College has returned a financial surplus. WBTC has reversed the losses incurred in the previous year and is now operating at a financial break-even position.

The College continues to assess its financial performance before the impact of FRS102 accounting adjustments for pensions as these figures swing wildly year-on-year, are outside the control of the College and do not have a cash impact. To understand the College finances and the impact of FRS102 we believe it is helpful to produce the following summary of financial performance and College specific EBITDA to help the reader of these accounts understand the operating position:

<b>Description</b>	<b>Amount (£000)</b>
Income (excluding capital grant release)	18,014
Pay Costs (excluding FRS102 adjustments)	(11,371)
Non-pay costs (excluding depreciation)	(4,794)
<b>Education Specific EBITDA</b>	<b>1,849</b>
<b>Less non-cash SOCI items:</b>	
Capital grant release	340
Depreciation	(1,709)
FRS102 pensions	(296)
<b>Reported surplus per SOCI</b>	<b>184</b>

### BCoT

September 2022 saw a disappointing enrolment onto full-time courses which, coming on the back of a decline in September 2021, has required the College to adjust its expenditure to operate within its means. At a time of high inflation levels and a very tight labour market this has been extremely challenging. The lagged funding methodology means that the College will not see its income drop in respect of this decline in student numbers until 2023/24. College income in 2022/23 has benefitted from high interest rates being achieved on cash reserves.

Enrolments in September 2023 were seen as crucial to the future of the College and it is pleasing to report that the declines experienced over the previous two years were reversed in one year, with numbers back up to their 2020 level.

Adult participation has not returned to pre-COVID levels and the College was again not able to fully utilise the full adult learning grant allocated to it. All unused funding is returned to the DfE.

Apprenticeships have recovered well and are now at their pre-COVID level. The College continues to work with employers to support their business through the recruitment and training of apprentices. In the current tight employment market, the ability for businesses to train and grow their own to meet their future skills needs has never been more valuable.

After very substantial increases in electricity and gas prices in April 2022 it was very welcome to hear that electricity prices reduced by nearly 10% from April 2023 and gas prices rose by a modest amount. The College procures its energy supplies through the Hampshire County Council energy consortium working with L.A.S.E.R., one of the largest energy buying organisations in the UK.

Increasing energy prices forced the College to pro-actively manage its energy consumption over the year. It is pleasing to report that energy use fell by nearly 10% over the year, mainly through adopting simple changes and control of heating use.

In order to ensure that resources are allocated within the College in line with student numbers a resourcing model is used. The model has been developed over a number of years and it enables a rapid redirection of funds to be made following the enrolment period to recognise actual student numbers in each area. When student numbers and income are declining the model identifies where and how costs can be reduced, and when student numbers and income are increasing it identifies where additional resources are required.

The resourcing model operates using an internal costing model to ensure that all curriculum delivery is financially viable. When combined with a flexible delivery team, it has been possible to adjust curriculum resourcing quickly to match student numbers. With declining income and numbers over recent years it has been necessary to reduce the costs of corporate services and College overheads.

The Corporation was pleased, at this time of high inflation, to be able to make a general pay award to all staff of £1,750 pro-rata or 5%, whichever was the greater, with effect from 1 August 2023 (and for some staff from 1 April 2023). For our lowest paid staff this was an increase in excess of 9%, and for 70% of our staff the increase was more than 5%. The Corporation wishes to formally acknowledge its appreciation to all staff for their hard work and dedication to the College and its students.

### **Cash flows and liquidity**

At £2.0 million (2021/22 £2.1 million), net cash flow from operating activities remains strong. Cash expended on the acquisition of fixed assets amounted to £1.2 million. During the year there was an increase in cash reserves of £1.6 million.

### **Reserves**

The College has accumulated reserves of £38.9 million and cash and short-term investment balances of £11.4 million. In the current financial climate, and with only a modest change in demographics, in the view of the Corporation it is essential to maintain a robust cash holding to ensure the continued delivery of high-quality technical education in the region.

### **Sources of income**

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the FE funding bodies provided 74% of the College's total income.

### **Financial health**

The College assessed its financial health at 31 July 2023 to be outstanding in accordance with ESFA Financial Health Measures.

## Streamlined Energy and Carbon Reporting

The College's greenhouse gas emissions and energy use for the period are set out below:

	<b>1 August 2022 to 31 July 2023</b>	<b>1 August 2021 to 31 July 2022</b>
Energy consumption used to calculate emissions (kWh)	2,543,868	2,819,514
<b>Energy breakdown (kWh)</b>		
Gas	1,474,198	1,630,809
Electricity	1,005,350	1,132,453
Transport Fuel	64,320	56,252
<b>Scope 1 emissions in metric tonnes CO2 equivalent</b>		
Gas consumption	271	301
Owned transport	1	1
	<u>272</u>	<u>302</u>
<b>Scope 2 emissions in metric tonnes CO2 equivalent</b>		
Purchased electricity	<u>206</u>	<u>219</u>
<b>Scope 3 emissions in metric tonnes CO2 equivalent</b>		
Business travel in employees owned vehicles	<u>14</u>	<u>14</u>
<b>Total gross emissions in metric tonnes CO2 equivalent</b>	<u><u>492</u></u>	<u><u>535</u></u>
<b>Intensity ratio</b>		
Tonnes of CO2 equivalent per staff member	<u><u>1.29</u></u>	<u><u>1.35</u></u>

### Notes regarding the emissions calculations:

#### Qualification and Reporting Methodology

We have followed the 2021 HM Government 'Streamlined energy and carbon reporting for colleges' guidelines (updated 25 January 2023) and have used the 2023 published UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes per staff member, the recommended ratio for the sector.

Staff numbers comprise those employed by the College and its subsidiary company, BCoT Professional Services Limited, in order to provide a meaningful and comparable measure.

#### Measures taken to improve energy efficiency

The College has a 400 panel solar pv installation.

Investment has been made in LED lighting over a number of years and most of the College is now LED.

Building improvements have improved thermal insulation and reduced heating demand. Staff and students are actively engaged in discussions and generate ideas to reduce energy consumption and harmful waste.

In 2022/23 the College implemented proactive management of day-to-day energy use which has largely generated the 10%+ reduction in both gas and electricity usage.

Plans are well advanced for further improvements to the building fabric (F Block curtain walling replacement) and the installation of solar pv on the F block roof.

The college is planning to enhance its energy use monitoring systems to inform future opportunities.

#### Intensity ratio movement

The reduction achieved in 2022/23 is through lower energy use, staff number changes have not impacted this measure.



## **CURRENT AND FUTURE DEVELOPMENT**

### **Student achievements**

Achievement rates are high and continuing to increase. GCSE exam boundaries returned to pre-covid levels this year and, despite this, the pass rate has increased from last year. 96% of learners progress to positive, meaningful destinations after completing their studies with us.

Apprenticeships showed a slight improvement in achievement rates compared to the previous year.

### **Curriculum developments**

The Building Careers of Tomorrow strategy covers the period 2021-2025 and throughout the past academic year, the College has worked to deliver against the six transformational themes identified:

- Digital skills
- Personal and professional development – character, emotional intelligence, resilience and employability skills
- Putting employers and business in the driving seat to set the skills agenda
- Delivering high quality T levels with outstanding business engagement and inspirational teaching
- A significant expansion of higher level provision in Basingstoke
- Leading a low carbon future

These themes are underpinned by a number of performance indicators that are used to track and measure performance.

As part of its work to deliver its strategic priorities, the College has further developed key stakeholder relationships to ensure the curriculum is continually updated to meet skills needs.

The first T level qualifications started in September 2022 in Engineering, Healthcare, and Education. Extensive collaboration with employers ensured that the curriculum being delivered is in line with industry requirements. First year exam results were positive and the vast majority of learners returned for the second year. The Business T Level is being introduced from September 2023. Planned T levels in Beauty Therapy and Media have been delayed by the DfE and will not be starting in 2023.

Significant investment in housebuilding is planned in the borough over the next 20 years and it is clear the demand for skilled people in the construction industry will continue to rise. At the same time, the method of construction will change as the industry adopts and adapts to the low carbon imperative. Equally important will be the retrofitting of sustainable technologies into existing housing stock. Construction training is a key priority for the College and our Green Energy Centre is opening in October 2023 to address the widespread recognition of the need to embark on a major retrofitting of homes and buildings to be more energy efficient, reduce carbon emissions, transition to a low carbon economy and equip our full time students with the skills they need for their future careers. The multi skills curriculum has been updated to include an environmental unit and new courses including Air Source Heat Pumps and Solar Thermal Hot Water Systems have been developed to start in October 2023. In addition, construction students will complete a carbon literacy course, as part of their studies, next academic year.

In 2023/24 we are expanding our reach into the growing CreaTech sector by creating a state-of-the-art media, broadcast and production studio to create a comprehensive digital learning environment to foster innovative learning among learners. This project will modernise and expand the curriculum using the most up to date industry standard equipment to ensure our learners are fully prepared with the creative and tech skills needed by industry. This project will bring BCoT into the forefront of digital delivery providing high quality resources for the media learners on all study programmes including T levels as well as higher education courses. It will also be used to engage learners from other curriculum areas to bring together creative industries and technology to enhance skills.

The development of higher education courses remains a priority and ambitious plans are in place to develop this area of work. Our first Level 7 course in Strategic People Management was introduced this year to expand our growing CIPD provision. Additional higher-level courses in healthcare, media, counselling and engineering are also currently being developed.

The College was again successful in its bid to the Turing Scheme, the UK's global programme to study abroad, and students from construction, travel and tourism, public services and hospitality participated in two-week placements in Spain and Italy. The students participating in this scheme gained invaluable 'real world' work experience and broadened their horizons with this life-changing cultural programme. The Turing Scheme is continuing in 2023/24 and students from construction, hospitality, travel and tourism, business, animal management and art and design will visit Portugal, Spain and Tenerife on two week work placements.

The College recognises that students' experience is enhanced by technology and on-line learning and aims to provide a different, more engaging approach to teaching and learning using the latest technology. Significant investment in facilities has created a mock hospital ward for T Level Health and Social Care and a mock nursery for T Level early years. In addition, the use of Virtual Reality has increased to support engagement in lessons.

The College's alternative education provision for young people, aged 14-25, with additional needs was expanded this year to include the Employability Hub to develop learners' employability skills and prepare them for adulthood.

The College successfully achieved the Quality in Careers Standard (QCS) in recognition of the quality and breadth of its career service in meeting the needs of learners. Fully aligned with the eight Gatsby Benchmarks - the national framework for good careers guidance - the award acknowledges the College's strong approach to careers advice and guidance, helping students make informed decisions about their future.

### **Ofsted**

The College has an excellent reputation and maintaining a quality brand is essential for the College's success in attracting students and building external relationships. It was last inspected by Ofsted in February 2023 and the grades awarded were:

The Quality of Education	Good
Behaviour and Attitudes	Outstanding
Personal Development	Outstanding
Leadership and Management	Good
Education Programmes for Young People	Good
Adult Learning Programmes	Outstanding
Apprenticeships	Good
Provision for Learners with High Needs	Good

In addition, Ofsted confirmed the College made a strong contribution to meeting skills needs.

Key findings from Ofsted include:

- Leaders have developed a curriculum that is closely aligned to the college's values and that offers programmes to meet learners', employers' and community needs well.
- Leaders use their extensive stakeholder network to inform future developments very effectively.
- Leaders and teachers work closely with stakeholders to design and teach programmes. They develop the content and plan the order in which it is taught so that learners acquire the skills and knowledge valued by stakeholders.
- Leaders invest significant time and energy developing and maintaining successful relationships with a wide range of stakeholders. They have a close understanding of how they contribute to addressing skills needs.
- Learners and apprentices enjoy their time learning at BCoT. Nearly all are positive, participate in learning enthusiastically and have high aspirations for their future. They behave well, and are polite and respectful.
- Learners feel safe at BCoT. They value the safe campus that leaders have created by controlling access to the site and the friendly staff who are readily available to support them. Learners are confident that if they ask for help, it will be taken seriously and dealt with promptly.

- Learners on programmes for young people are motivated and attentive to staff. They enjoy their lessons, which is reflected by their high attendance and good punctuality. They rightly appreciate the interesting and stimulating lessons that most teachers provide.
- Learners rightly value and enjoy the very extensive range of additional activities available to them. Learners grow in confidence and resilience while at BCoT due to the sensible action that leaders and teachers take when planning the curriculum and the support that they provide.
- Leaders and teachers plan the curriculum carefully, enabling learners to acquire a secure understanding of the core aspects of the subject before moving on to more complex concepts.
- Leaders work with partners skilfully to implement ambitious adult learning programmes that are designed carefully so that learners quickly acquire skills and knowledge valued by employers and higher education providers.
- Most teachers are qualified industry experts who use their knowledge skilfully to plan lessons well. They help learners commit learning to their long-term memory by frequently asking learners to complete tasks that draw on previous learning.
- Teachers support learners to develop their skills in mathematics and English effectively. Teachers skilfully encourage learners to apply these subjects in their vocational lessons.
- Leaders work with employers to develop and tailor apprenticeship programmes so that apprentices develop the skills, knowledge and behaviours closely aligned to their job role.
- Leaders have designed an accessible and ambitious curriculum for high needs learners. They have created the future pathways programme, which is coherently planned to enable high needs learners to develop their skills and knowledge and move on to higher level learning.
- Staff provide learners with comprehensive information, advice and guidance on their future work and study options, such as through guest speakers or the college's careers team.
- Most learners are successful in their course, developing new knowledge, skills and behaviours. They achieve their qualifications and are well prepared for their next steps in learning or work. Consequently, nearly all move on to further education, employment or training.
- Leaders have a sharp focus on the quality of teaching and learning. They regularly visit lessons and give feedback that helps teachers improve their future work. Leaders support teachers' development well through a comprehensive range of training activities.
- Leaders prioritise the safety and well-being of learners. Appropriately trained and experienced designated safeguarding staff work very effectively with external partner organisations to maintain a comprehensive understanding of the issues in the local area.
- Governors have a good understanding of the college, the community it services and their role, including their statutory duties. They use their diverse expertise and experience to provide valuable scrutiny and support to senior leaders. Governors play an effective role supporting leaders in the continuous improvement of the quality of learning and the experience learners benefit from while at the College.

## **Governance**

Governance at the College is strong and highly effective. The Governing Body plays a key role in setting the strategic objective and challenging the senior team to ensure that College's aims are achieved.

Governors are linked with a curriculum area which provides the opportunity for governors to visit the college outside of the formal meeting structure and assess the implementation of policy and practise as well as to engage with staff and students.

## **Self-Assessment**

The College undertakes a rigorous self-assessment exercise each year. For 2022/23 the overall effectiveness of the College is judged as good with quality of education also assessed as good. Within this, many curriculum areas have been judged as outstanding and work is ongoing with the remaining areas to bring them up to the standard of the best. Behaviour and attitudes, personal development and

adult learning have been assessed as outstanding with contribution to skills needs assessed as strong in line with the Ofsted gradings.

### **Financial plan**

The College governors have approved a financial plan in July 2023 which sets objectives for the period to July 2024 and a forecast for 2024/25.

The plan anticipates that the College's ESFA Financial Health Grade will reduce to 'Good' in 2023/24 before returning to 'Outstanding' after that.

The College has budgeted a larger than usual operating deficit before FRS102 pension adjustments for the year to 31 July 2023 in order to achieve the pay award noted above.

### **Treasury policies and objectives**

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

The College has a separate Treasury Management policy in place.

### **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. It is the Corporation's intention to maintain reserves over the life of the strategic plan through the generation of positive annual cash flow from operating activities. As at the balance sheet date the Income and Expenditure reserve stands at £20.4 million (2021/22 £16.4 million).

### **Going concern**

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. To support this conclusion the College has undertaken a rigorous budgeting process which culminates in the preparation of a financial plan and budget that incorporates an analysis of cash flow and liquidity.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk Management**

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The 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 each meeting of the Audit Committee. 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.

<b>Risk</b>	<b>Key Mitigating Actions</b>
Managing the cyber security threat	Ensuring all equipment is supported and patched. Staff training. Multi-factor Authentication. Use of VPN. Backup and contingency plans. Cyber insurance policy

<b>Risk</b>	<b>Key Mitigating Actions</b>
Rising costs, especially energy and staff	Cost management Energy management Income generation Increase efficiency/productivity Financial management
Over reliance on one income stream or customer	Ensure all provision is financially sustainable, not cross-subsidisation Maintain a diverse source of income Bid for new business opportunities
Impact of demographics and competition	Revised application processes Curriculum plans and introduction of new courses T level implementation Marketing plan
Achievement rates decline or are low	Accountability at all levels of staff English and maths delivery changed to include small group tuition Subcontractor performance management Programmes of Study changes Increase participants in apprenticeship review meetings Tighten tracking of apprenticeship progress
Compliance with safeguarding duties and responsibilities	Dedicated team with executive and governor leads Staff training programme IT systems to record and report Safe digital use strategy Restrictions on accessing harmful on-line material Single Central Register Mandatory use of the updating service for staff Access and security arrangements on campus Personal and professional development programme Community liaison and links

### **KEY PERFORMANCE INDICATORS**

The Corporation uses financial indicators to assess and manage the financial position of the College. The updated indicators provide a balanced view of the solvency, liquidity and financial sustainability of the College, in particular recognising the importance of cash generation, cash availability and capital expenditure.

The measures place less emphasis on the reported surplus or deficit for the year as reported in the financial statements under FRS 102. The accounting adjustments required in respect of FRS 102, particularly in relation to the LGPS, are outside the College's control and beyond what could be reasonably covered by annual College income.

The Earnings before Interest, Depreciation and Amortisation (EBITDA) measure is now used widely in the sector, including by the ESFA when calculating a College's financial health score. The corporation considered whether it should use EBITDA as an alternative to operating surplus/ (deficit) but decided instead to use a modified version of EBITDA which it refers to as 'Cash Generated from Operations'. The cash generation measure differs from EBITDA as it is after interest received and debt servicing. It reports the amount of cash generated from operations over the year that is available for capital investment. The Corporation decided to use a monetary value for this measure, rather than expressing it as a percentage of income - the important aspect to this measure is whether the College is generating sufficient cash to meet its ongoing capital expenditure requirements.

Performance indicator	Measures			Budget 2022/23	Outturn 2022/23	Assessment
	Concern	Satisfactory	Strong			
ESFA financial health score	< 110	> 170	> 230	270	290	Strong
Cash generated from operations (available for capital)	<£500k	> £1.0m	> £1.4m	£1.458m	£1.854m	Strong
Cash generation from core College	<700k	>900k	>1.1m	£830k	£1,485k	Strong
Pay costs as a % of income (core College)	>70%	<67.5%	<65%	66.9%	65.6%	Satisfactory
Cash days	< 25 days	>42.5 days	> 60 days	222	273	Strong
Current ratio	< 1.0	> 1.6	> 2.0	3.6	3.4	Strong

### Equality & Diversity (E&D)

The College is committed to providing a high-quality educational experience where students and staff can work in a positive and inclusive environment. Our vision is to inspire every learner to succeed and excel and our core values are:

**Passionate** about providing education and training that transforms lives;

**High performing** - anything less than 100% success leaves room for improvement;

**Innovative** through the promotion of sustainability and enterprise;

**Respectful** - we value every person as an individual and embrace diversity in our community; and

**Inclusive** - we provide opportunities for all and we welcome people of all abilities and backgrounds.

### Developments

In 2022-2023 all staff undertook Anti-Racism training. The Unity Group which was established in 21/22 has gone from strength to strength, they meet regularly to discuss issues and to develop materials for staff to use in the curriculum. We were successful in our bid to become a College of Sanctuary. The Speak up button which enables students to easily report on any racial, homophobic or other inappropriate behaviours continues to be used and students when surveyed are clear about how to report any incidents.

### Equality and Diversity Objectives 2020 - 2024

Objective	Actions
Everyone working for and studying at BCoT will promote our values of equality, diversity and inclusion and this will underpin everything the College does	Staff training through inset days and teacher forum Focus groups Surveys
We will review achievement disparities between different groups, action support processes so that these individuals can achieve their full potential, and provide information and guidance to colleagues to support this	CMT/EMT meetings Focus groups Targeted support Review support plans for students to look at the impact

The College will recruit and maintain a staff and student population which is reflective of the local and wider community	Targeted vacancy advertising Line management performance reviews
The College's vision and values for equality, diversity and inclusion will be communicated to all stakeholders	Prominent on website
All staff will be supported through training and development to advance the College's values	Structured training plan in place

All staff and students should expect

- to be treated fairly irrespective of any perceived differences, including, but not limited to characteristics protected under the Equality Act 2010; and
- to work free from harassment and bullying.

External contractors and employers or work placement providers are expected to adhere to its ethos.

The College seeks to ensure that its policies, procedures and practices promote E&D and are clearly communicated, accessible and equally applied to all sections of the College community including potential learners, service users and job applicants. We believe that all members of the College community have the right to be treated fairly (and the duty to treat others fairly) irrespective of disability or any other perceived difference and to work and study in an environment which is free from harassment and bullying.

### **Disability statement**

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

- As part of its accommodation strategy the College updated its access point as part of its property and maintenance works. The College has worked with DisabledGo experts in access to buildings and facilities;
- The College has a Nurse and Health and Safety Expert, who provides information, advice and arranges support where necessary for students with disabilities;
- There is a list of specialist equipment, such as radio aids, which the College can make available for use by students in addition to a range of assistive technology which is available in the learning centre;
- The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format; and
- 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.

### **Safeguarding**

The College has a statutory and moral duty to safeguard all its people, both learners and staff and sees this as central to all it does. This covers all matters connected with learners and staff having a safe working environment, ensuring that they know how to keep themselves safe. It pays particular regard to the welfare of people under the age of 18 and to that of adults at risk.

At BCoT we take our responsibility around Safeguarding very seriously. Students and staff should feel safe at College and everyone should be aware of the processes is someone is feeling unsafe. All College staff have responsibility for the safety and promotion of welfare of our students:

When students come to the College we consistently use the three words - Ready, Respect and Safe.

## BASINGSTOKE COLLEGE OF TECHNOLOGY: Financial Statements for the Year Ended 31 July 2023

As a College we adhere to the regulations and requirements that are covered in; Working together to safeguard children (DfE March 2013) and Keeping children safe in education: information for school and college staff (DfE September 2023) - copies of these can be found on the intranet as can the College safeguarding policy.

### GENDER PAY GAP REPORTING

This Gender Pay Gap Report is based on data as of 31 March 2023.

	Mean	Median
Pay	11.2%	18.2%
Bonus	0%	0%

The gender pay gap reported is as required by statute, which for the group is only the employees of Basingstoke College of Technology. Neither BCoT Professional Services or West Berkshire Training Consortium are required to report on the gender pay gap. A positive number indicates that on average men are paid more than women.

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

Quartile	Males	Females
Lower	36.3%	63.7%
Lower Middle	14.9%	85.1%
Upper Middle	26.7%	73.3%
Upper	42.2%	57.8%

### ETHNICITY PAY GAP REPORTING

As part of our commitment to become an anti-racism College, and in line with the undertaking made when the College signed the Race at Work Charter, we are voluntarily publishing our ethnicity pay data.

2022/23 pay gap	Mean difference	Median difference
Black staff	-7.4%	-21.4%
Black staff (excluding Principal)	-13.7%	-23.3%
Black and minoritized staff (Black and White other)	-5.0%	-8.6%
Black and minoritized staff (excluding Principal)	-9.2%	-9.1%

Note:

- BAME is an inclusive definition of people from ethnically diverse backgrounds i.e. anyone who does not identify as white British
- Figures excluding Principal are provided to illustrate the impact of the pay gap calculation of this post

### BAME and white proportions in each pay quartile

	BAME	White
Quartile 1	25%	75%
Quartile 2	6%	94%
Quartile 3	9%	91%
Quartile 4	11%	89%



**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. In 2022/23 the number of employees who acted in such a capacity was NIL.

**Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the accounting period 1 August 2022 to 31 July 2023, the College paid 89 per cent of its invoices within 30 days.

The principal reasons for any non-payment of an invoice within 30 days are that the supplier has not followed the College's terms and conditions of purchase which then slows down the payment approval process, or that there is a query or dispute in relation to the supply which causes the College to delay payment until satisfactory resolution of the issue.

The College incurred no interest charges in respect of late payment for this period.

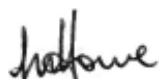
**EVENTS AFTER THE REPORTING PERIOD**

There are no significant post balance sheet events to report.

**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 Board of Corporation on 13 December 2023 and signed on its behalf by:**



M Howe  
Chair of Governors

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

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

The College endeavours to conduct its business:

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

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

This opinion is based on an internal review of compliance with the Code which was conducted during the summer of 2023.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English College’s issued by the Association of College’s in March 2015, which it formally adopted on 23 March 2016.

**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.

	<b>Member</b>	<b>Category</b>	<b>Term of Office</b>	<b>Committee Membership</b>	<b>Notes</b>	<b>Attendance</b>
1	Joy Bibby	External	Full year	CQ		83%
2	Anthony Bravo	Principal	Full year	CPC, CQ, FR, SC		81%
3	Priya Brown	External	Full year	CQ	Vice Chair CQ	44%
4	Charles Cardiff	External	Full year	AC	Chair of AC	89%
5	Terry Clark	Staff	Full year	CQ		100%
6	Kevin Croombs	External	Full year	FR	Vice Chair FR	100%
7	Steve Fussey	External	Full year	CPC, CQ, RC, SC	Vice Chair of Corp Chair of CQ	100%
8	Mike Howe	External	Full year	CPC, FR, RC, SC	Chair of Corp Chair FR	92%
9	Beryl Huntingdon	External	Full year	Audit		100%
10	Adam Lupton	External	From 3.11.2022	FR		75%
11	Nicole Martin	External	Full year	AC	Vice Chair AC	67%
12	Arun Mummalaneni	External	Full year	FR		80%
13	Dave Murray	External	Full year	CPC, FR		75%
14	Martin Slatford	External	Full year	AC		67%
15	Barry Smith	External	Full year	FR		90%
16	Ian Ward	Staff	From 29.3.2023	AC		100%
17	Colin Willoughby	External	Full year	CPC, FR	Chair CPC	83%
18	Pamela Woolgrove	External	Full year	AC, SC	Chair of SC	80%
19	Deanna Hoskins	Student	From 7.12.2022			50%
20	Vacancy (AMi)	External				

**NOTES**

- AC Audit Committee
- CPC Capital Projects Committee
- CQ Curriculum & Quality Committee
- FR Finance & Resources Committee
- SC Search Committee

### **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 personnel-related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance and Resources, Audit, Curriculum & Quality, Remuneration, Search and Capital Projects.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website [www.bcot.ac.uk](http://www.bcot.ac.uk) or from the Clerk to the Corporation at:

Basingstoke College of Technology,  
Worting Road,  
Basingstoke,  
RG21 8TN

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

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

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

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

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

### **Appointments to the Corporation**

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

Members of the Corporation are appointed for a term of office not exceeding four years.

### **Corporation performance**

The financial and academic year 2022/23 saw recovery from the post-Covid-19 pandemic continue to return to a 'more normal' basis of operation for the College. Enrolments in September 2022 had, though, been lower than forecast and would have a significant adverse impact on funding in 2023/24. However, enrolments for 2023/24 were better than forecast and would result in an increased level of funding in 2024/25. Financial issues in 2022/23 continued to be exacerbated by the cost of living crisis facing the UK.

The Autumn Term 2022 was dominated by the College preparing for a delayed (because of the Covid-19 pandemic) Ofsted inspection. The inspection was undertaken in the early Spring Term 2023 (30 Jan to 3 Feb) and resulted in an overall effectiveness grade of 'Good' with outstanding features.

During 2022/23 funding had been lower than anticipated and continued to have an adverse impact on the whole operation of the College since the start of the pandemic in March 2020 and continued to be a significant factor during the year. The Corporation and the Finance & Resources Committee continued to

monitor closely the financial impact on the College. They were, though, pleased that the end of year financial results for 2021/22 showed an improvement on the original budgeted forecast and through good prudent financial planning the Corporation, at its March 2023 meeting, was able to approve an average 5% pay award for all staff despite all the challenges facing the College.

During 2022/23 the major business for the Finance & Resources Committee continued to relate to the funding position. In addition, the Capital Projects Committee (in conjunction with the Corporation) considered the need to continue the refurbishment of F Block, and an appropriate scheme was developed and approved. Preparation work was also put in place to develop a scheme to replace the curtain-walling windows in F Block, with a potential start for their replacement scheduled for summer 2024. The Curriculum & Quality Committee concentrated on monitoring and challenging actions taken against the Quality Improvement Plan, teaching and learning improvements, English and maths and achievements.

The trading position of West Berkshire Training Consortium (WBTC) had been a cause for concern during the year. This was, primarily, as a result of a reduction in the number of apprentices in the post-Covid period and the loss of some key senior staff. However, the position had stabilised during mid-2023 with the appointment of a new Managing Director and an increase in enrolments for Autumn 2023.

The Corporation continues to work closely with the Executive Management Team (EMT) to ensure teaching and the curriculum are continuously reviewed to meet learners and employers needs and the College maintains a flexible approach to learning. Members continue to challenge the EMT at both Corporation and committee meetings on a wide range of issues to ensure that the overall strategic objectives (as set out in the Articles of Government and the strategic plan) are met.

Looking forwards to 2023/24 the Corporation will continue to monitor closely the finances of the College to ensure that the best use of the resources is made for the benefit of current and future learners. In addition, with the increasing cost of living crisis continuing to face the College and the UK a great deal of time will be spent by the EMT and Corporation trying to mitigate the impact of this on the staff and students at the College.

The Corporation will also continue to review where further improvements on the College's ability to provide an outstanding and flexible learning opportunity that meets the needs of students and employers can be made.

### **Activities undertaken to develop governors and clerks/heads of governance**

The Corporation continues to hold two Development Days each year, and also receives updates and briefing sessions prior to each meeting. The Curriculum & Quality Cttee receives a briefing at every meeting from a Head of Department. The Chair, Vice Chair and the Clerk participate in a range of external meetings with their peers, and also attend (in person or online) appropriate events as and when they are offered. The newest Members of the Corporation undertake an external Induction programme run by the Association of Colleges, as well as attended an internal induction and tour of the College facilities.

### **Self-assessment of governance**

The Corporation undertook a self-assessment of governance during the summer of 2023. The self-assessment questionnaire covered nine key areas (strategic direction, financial planning, academic performance, corporate governance, development and induction, committees, clerking, pay and conditions of service, risk management), and covered a total of 60 individual questions. The overall responses showed a high level of satisfaction with the operation of corporate governance at the College. The Search Committee will discuss the findings of the self-assessment review at its meeting in October 2023. During 2023/24 the Corporation will undertake an external governance review as per the ESFA conditions of funding requirements.

### **Remuneration Committee**

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

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

### **Audit Committee**

The Audit Committee comprises six members of the Corporation (excluding the Accounting Officer and Chair). 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 auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes 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. The members of the committee and their attendance records are shown below:

<b>Committee Member</b>	<b>Meetings Attended</b>
Charles Cardiff (Chair)	3
Nicole Martin (Vice Chair)	2
Beryl Huntingdon	3
Martin Slatford	2
Ian Ward (from 29.3.23)	2
Pamela Woolgrove	3

### **Finance and Resources Committee**

The Finance and Resources Committee is made up of eight members of the Corporation and monitors the College's financial position and financial controls systems. The committee focuses on areas of Finance, Human Resources, IT and Estates.

The Committee operates in accordance with the Terms of Reference approved by the Corporation and meets four times a year.

### **Quality Committee**

The Quality Committee oversees the effective implementation of the College's quality processes and reports to the Board of Corporation. The committee meets termly and comprises five members of the Corporation.

### **Capital Projects Committee**

The Capital Projects committee provides the Corporation with authoritative advice in relation to a Capital Building Project. It is formed solely to oversee a specific capital project and has no authority to consider any other property or capital matters unless specifically delegated such authority by the Corporation. Its term of office expires one calendar year after the official handover of the project to the College. The committee reports to the Board of Corporation and comprises five members of the Corporation.

## **INTERNAL CONTROL**

### **Scope of responsibility**

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

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

### **The purpose of the system of internal control**

The system of internal control is 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 Basingstoke College of Technology 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 have been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts.

### **The risk and control framework**

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

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

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### **Risks faced by the Corporation**

The Corporation identifies, evaluates and manages risk, including an impact and likelihood evaluation of key operational, financial, and other risks. Further detail can be found in the "Principal Risks and Uncertainties" section of the Strategic Report.

### **Control weaknesses identified**

There are no significant internal control weaknesses or failures to report.

### **Responsibilities under funding agreements**

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

### **Statement from the audit committee**

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

### **Review of effectiveness**

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

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

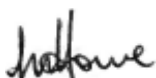
The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2023.

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

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



M Howe  
Chair of Governors



A Bravo  
Accounting Officer



**Statement of Regularity, Propriety and Compliance**

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

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

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



A Bravo  
Accounting Officer

Date: 13/12/23

**Statement of the chair of governors**

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



M Howe  
Chair of governors

Date: 13/12/23

## **Statement of Responsibilities of the Members of the Corporation**

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, 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 (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Corporation will continue in operation

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

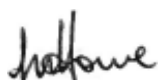
The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and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

The Corporation is responsible for the maintenance and integrity of its website; 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 13 December 2023 and signed on its behalf by:**



M Howe  
Chair of Governors

**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BASINGSTOKE COLLEGE OF TECHNOLOGY**

**Opinion**

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

In our opinion, the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

**Matters on which we are required to report by exception**

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

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

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

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

## **Responsibilities of the Corporation of Basingstoke College of Technology**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

### **Audit response to risks identified**

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

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

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

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

## **BASINGSTOKE COLLEGE OF TECHNOLOGY: Financial Statements for the Year Ended 31 July 2023**

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

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

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

### **Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 4 November 2022. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 15/12/23

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF BASINGSTOKE COLLEGE OF TECHNOLOGY COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (THE ESFA)**

In accordance with the terms of our engagement letter dated 4 November 2022 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Basingstoke College of Technology during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

**Respective responsibilities of Basingstoke College of Technology and the reporting accountant**

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

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

**Approach**

We conducted our engagement in accordance with the Code issued by the ESFA. 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 included:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework authorities;

## **BASINGSTOKE COLLEGE OF TECHNOLOGY: Financial Statements for the Year Ended 31 July 2023**

- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we perform 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.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, that the financial transactions do not conform to the authorities which govern them nor have been improper.

### **Use of our report**

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



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

Date: 15/12/23



**Basingstoke College of Technology**  
**Consolidated Statements of Comprehensive Income and Expenditure**

	Notes	2023 Group	2023 College	2022 Group	2022 College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	2	13,734	12,609	13,233	11,976
Tuition fees and education contracts	3	1,987	2,095	2,073	2,156
Other income	4	2,301	1,984	2,029	1,834
Investment income	5	332	326	29	23
<b>Total income</b>		<b>18,354</b>	<b>17,014</b>	<b>17,364</b>	<b>15,989</b>
<b>EXPENDITURE</b>					
Staff costs	6	11,478	10,744	11,807	10,938
Fundamental restructuring costs	6	47	47	78	13
Other operating expenses	7	4,794	4,197	4,387	3,790
Depreciation and amortisation	9/10	1,709	1,683	1,665	1,635
Interest and other finance costs	8	142	142	228	228
<b>Total expenditure</b>		<b>18,170</b>	<b>16,813</b>	<b>18,165</b>	<b>16,604</b>
<b>Surplus / (Deficit) before other gains and losses</b>		<b>184</b>	<b>201</b>	<b>(801)</b>	<b>(615)</b>
Profit / (Loss) on disposal of assets	9	-	-	-	-
<b>Surplus / (Deficit) for the year</b>		<b>184</b>	<b>201</b>	<b>(801)</b>	<b>(615)</b>
Actuarial gain in respect of pension schemes	19	3,496	3,496	10,590	10,590
<b>Total Comprehensive Income for the year</b>		<b>3,680</b>	<b>3,697</b>	<b>9,789</b>	<b>9,975</b>

The statement of comprehensive income is in respect of continuing activities

## Basingstoke College of Technology

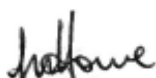
### Consolidated and College Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
<b>Group</b>			
<b>Balance at 1st August 2021</b>	6,581	18,975	25,556
Surplus from the income and expenditure account	(801)	-	(801)
Other comprehensive income / (expenditure)	10,590	-	10,590
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	<hr/> 10,151	(362)	9,789
<b>Balance at 31st July 2022</b>	16,732	18,613	35,345
Surplus from the income and expenditure account	184	-	184
Other comprehensive income / (expenditure)	3,496	-	3,496
Transfers between revaluation and income and expenditure reserves	362	(362)	-
<b>Total comprehensive income for the year</b>	<hr/> 4,042	(362)	3,680
<b>Balance at 31st July 2023</b>	<hr/> <b>20,774</b>	<b>18,251</b>	<b>39,025</b> <hr/>
<b>College</b>			
<b>Balance at 1st August 2021</b>	6,036	18,975	25,011
Surplus from the income and expenditure account	(615)	-	(615)
Other comprehensive income / (expenditure)	10,590	-	10,590
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	<hr/> 10,337	(362)	9,975
<b>Balance at 31st July 2022</b>	16,373	18,613	34,986
Surplus from the income and expenditure account	201	-	201
Other comprehensive income / (expenditure)	3,496	-	3,496
Transfers between revaluation and income and expenditure reserves	362	(362)	-
<b>Total comprehensive income for the year</b>	<hr/> 4,059	(362)	3,697
<b>Balance at 31st July 2023</b>	<hr/> <b>20,432</b>	<b>18,251</b>	<b>38,683</b> <hr/>

**Basingstoke College of Technology  
Consolidated Balance Sheets as at 31 July 2023**

	Notes	2023 Group	2023 College	2022 Group	2022 College
		£'000	£'000	£'000	£'000
<b>Non current assets</b>					
Tangible fixed assets	9	33,435	33,405	33,945	33,890
Intangible fixed assets	10	44	44	43	43
		<b>33,479</b>	<b>33,449</b>	<b>33,988</b>	<b>33,933</b>
<b>Current assets</b>					
Stocks		7	7	9	9
Trade and other receivables	11	1,213	1,084	1,150	975
Cash and cash equivalents	15	11,700	11,363	10,086	9,767
		<b>12,920</b>	<b>12,454</b>	<b>11,245</b>	<b>10,751</b>
<b>Less: Creditors - amounts falling due within one year</b>	12	(4,027)	(3,873)	(3,350)	(3,160)
<b>Net current assets</b>		<b>8,893</b>	<b>8,581</b>	<b>7,895</b>	<b>7,591</b>
<b>Total assets less current liabilities</b>		<b>42,372</b>	<b>42,030</b>	<b>41,883</b>	<b>41,524</b>
Less: Creditors – amounts falling due after more than one year	13	(2,514)	(2,514)	(2,431)	(2,431)
<b>Provisions</b>					
Defined benefit obligations	14	-	-	(3,135)	(3,135)
Enhanced pension provision	14	(833)	(833)	(972)	(972)
<b>Total net assets</b>		<b>39,025</b>	<b>38,683</b>	<b>35,345</b>	<b>34,986</b>
<b>Unrestricted reserves</b>					
Income and expenditure account		20,774	20,432	16,732	16,373
Revaluation reserve		18,251	18,251	18,613	18,613
<b>Total unrestricted reserves</b>		<b>39,025</b>	<b>38,683</b>	<b>35,345</b>	<b>34,986</b>

The financial statements on pages 33 to 60 were approved and authorised for issue by the Corporation on 13 December 2023 and were signed on its behalf on that date by:



M Howe  
Chair of Governors



A Bravo  
Accounting Officer

## Basingstoke College of Technology

### Consolidated Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
<b>Cash inflow from operating activities</b>			
Deficit for the year		184	(801)
<b>Adjustment for non cash items</b>			
Depreciation	9	1,686	1,640
Amortisation	10	23	25
Decrease / (Increase) in stocks		2	(3)
Release of deferred capital grants		(340)	(306)
Increase in provisions	14	(41)	(54)
Pensions costs less contributions payable	19	263	998
Increase / (Decrease) in holiday pay accrual		12	(23)
		<u>1,605</u>	<u>2,277</u>
<b>Movement in working capital</b>			
Increase in debtors	11	(63)	(296)
Increase in creditors due within one year	12	627	997
		<u>564</u>	<u>701</u>
Investment income	5	(332)	(29)
<b>Net cash flow from operating activities</b>		<u>2,021</u>	<u>2,148</u>
<b>Adjustment for investing activities</b>			
Payments made to acquire fixed assets		(1,199)	(978)
Receipt of deferred capital grants		460	-
Investment income	5	332	29
Loss on disposal of fixed assets		-	-
<b>Net cash flow from investing activities</b>		<u>(407)</u>	<u>(949)</u>
<b>Increase in cash and cash equivalents in the year</b>		<u>1,614</u>	<u>1,199</u>
Cash and cash equivalents at beginning of the year	15	10,086	8,887
Cash and cash equivalents at end of the year	15	11,700	10,086

## **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) and Regulatory Advice 9: Accounts Direction issued by the Office for Students. 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 modified by the revaluation of certain fixed assets.

#### **Basis of consolidation**

The consolidated financial statements include the College and its subsidiaries, BCoT Professional Services Limited (BPSL) and West Berkshire Training Consortium (WBTC), controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiaries are included in the consolidated income and expenditure account from the date that BPSL was formed and the date on which control of WBTC took place. Intra-group sales and profits are eliminated fully on consolidation.

#### **Going concern**

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

The College currently has no outstanding debt as well as healthy reserves of liquid assets. A robust budgeting and forecasting system allows the College to predict there is a high expectation that it has adequate resources to continue in operational existence for the foreseeable future.

For this reason, the College will continue to adopt the going concern basis in the preparation of its Financial Statements.

#### **Recognition of income**

##### *Revenue grant funding*

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

The recurrent grant from 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 (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in

advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

#### *Capital grant funding*

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

#### *Fee income*

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

#### *Investment income*

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

### **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.

#### *Local Government Pension Scheme (LGPS)*

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

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

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

### **Short term Employment benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused

benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

### **Enhanced Pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the 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.

#### *Land and buildings*

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

- North site – 45 years
- South site – 40 years

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

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

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

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 2014 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 contractor 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 £2,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

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

- Computer Hardware & Software - 4 years on a straight-line basis
- Equipment - 5 years on a straight-line basis
- Building improvements - in line with the useful economic life of the building or shorter if the useful economic life is expected to be shorter

- Fixtures and Fittings - 10 years on a straight-line basis
- Motor Vehicles - 5 years on a straight-line basis

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

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

#### *Intangible assets*

All software and licences are capitalised at cost and depreciated over 4 years or the licence period if longer.

#### **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.

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

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

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

#### **Inventories**

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

#### **Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of change in value, including funds placed on deposit for a period of up to 12 months.

#### **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 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.

#### **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*

Tangible fixed assets, are depreciated over their useful lives considering 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 considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

- *Enhanced Pension Scheme*

The present value of the enhanced pension provision is derived by using actuarial assumptions that are unbiased and mutually compatible in order to calculate the best estimate of future cashflows that will arise under the plan.

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**2 Funding body grants**

	2023 Group	2023 College	2022 Group	2022 College
	£'000	£'000	£'000	£'000
<b>Recurrent grants</b>				
Education and Skills Funding Agency - adult	1,391	1,391	1,254	1,254
Education and Skills Funding Agency - 16-18	8,408	8,194	8,160	7,867
Education and Skills Funding Agency - apprenticeships	3,526	2,615	3,371	2,436
Office for Students - HE	69	69	113	113
<b>Specific Grants</b>				
Education and Skills Funding Agency - provider relief	-	-	-	-
Releases of government capital grants	340	340	335	306
<b>Total</b>	<b>13,734</b>	<b>12,609</b>	<b>13,233</b>	<b>11,976</b>

**3 Tuition fees and education contracts**

	2023 Group	2023 College	2022 Group	2022 College
	£'000	£'000	£'000	£'000
Adult education fees	451	451	599	599
Apprenticeship fees and contracts	259	367	284	367
Fees for FE loan supported courses	257	257	312	312
Fees for HE loan supported courses	167	167	132	132
International students fees	36	36	16	16
<b>Total tuition fees</b>	<b>1,170</b>	<b>1,278</b>	<b>1,343</b>	<b>1,426</b>
Education contracts	817	817	730	730
<b>Total</b>	<b>1,987</b>	<b>2,095</b>	<b>2,073</b>	<b>2,156</b>

**Total grant and fee income**

Grant income from the OfS	69	69	113	113
Grant income from other bodies	13,665	12,540	13,120	11,863
<b>Total grants</b>	<b>13,734</b>	<b>12,609</b>	<b>13,233</b>	<b>11,976</b>
Fee income for taught awards (exclusive of VAT)	167	167	132	132
Fee income from non-qualifying courses (exclusive of VAT)	1 820	1 928	1 941	2 024
<b>Total tuition fees and education contracts</b>	<b>1 987</b>	<b>2 095</b>	<b>2 073</b>	<b>2 156</b>
<b>Total grant and fee income</b>	<b>15,721</b>	<b>14,704</b>	<b>15,306</b>	<b>14,132</b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**4 Other income**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Catering and residences	280	280	230	230
Other income generating activities	933	761	792	705
Other grant income	832	703	563	526
Miscellaneous income	256	240	444	373
<b>Total</b>	<b>2,301</b>	<b>1,984</b>	<b>2,029</b>	<b>1,834</b>

**5 Investment income**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Other interest receivable	332	326	29	23
<b>Total</b>	<b>332</b>	<b>326</b>	<b>29</b>	<b>23</b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**6 Staff costs**

The average number of persons (including key management personnel) employed by the College during the year was:

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
By Headcount	Headcount	Headcount	Headcount	Headcount
Teaching staff	120	105	111	94
Non teaching staff	260	129	268	145
	<b>380</b>	<b>234</b>	<b>379</b>	<b>239</b>

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
By full time equivalent staff (FTE)	FTE	FTE	FTE	FTE
Teaching staff	90	76	83	70
Non teaching staff	174	87	162	95
	<b>264</b>	<b>163</b>	<b>245</b>	<b>165</b>

**Staff costs for the above persons**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	8,845	6,063	8,471	6,044
Social security costs	769	578	718	557
Other pension costs	1,599	1,476	2,253	2,140
<b>Payroll sub total</b>	<b>11,213</b>	<b>8,117</b>	<b>11,442</b>	<b>8,741</b>
Increase / (Reduction) in holiday pay accrual	12	12	(23)	(23)
Contracted out staffing services	253	2,615	388	2,220
<b>Total Staff Costs</b>	<b>11,478</b>	<b>10,744</b>	<b>11,807</b>	<b>10,938</b>
Fundamental restructuring costs				
- contractual	25	25	62	8
- non contractual	22	22	16	5
	<b>11,525</b>	<b>10,791</b>	<b>11,885</b>	<b>10,951</b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**6 Staff costs (continued)**

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and are represented by the four most senior members of the College which comprises the Principal, two Deputy Principals and the Assistant Principal and the Managing Director of West Berkshire Training Consortium.

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

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	5	4	5	4

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

	<b>Key management personnel</b>		<b>Other staff</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Group &amp; College</b>	<b>Group &amp; College</b>	<b>Group &amp; College</b>	<b>Group &amp; College</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£25,001 to £30,000	-	1	-	-
£30,001 to £35,000	1	-	-	-
£60,001 to £65,000	1	1	-	-
£65,001 to £70,000	1	-	-	-
£80,001 to £85,000	1	1	-	-
£95,001 to £100,000	-	2	-	-
£100,001 to £105,000	1	-	-	-
£130,001 to £135,000	1	1	-	-
	<b>6</b>	<b>6</b>	-	-

There was one member of staff that left part way through the year, disclosed above in the £30,001 to £35,000 band that would have been disclosed in the £60,001 to £65,000 band on a full year basis.

There was one part-time member of staff that received less than £60,000 in the year but would have been disclosed in the £65,001 to £70,000 band on a full-time basis.

Key management personnel compensation is made up as follows:

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Salaries	477	383	498	375
Employers National Insurance	60	49	64	48
Benefits in kind	7	7	8	6
	<b>544</b>	<b>439</b>	<b>570</b>	<b>429</b>
Pension contributions	93	89	96	87
<b>Total key management personnel compensation</b>	<b>637</b>	<b>528</b>	<b>666</b>	<b>516</b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**6 Staff costs (continued)**

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

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

	<b>2023</b>	<b>2022</b>
	<b>Group &amp; College</b>	<b>Group &amp; College</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	134	131
Benefits in kind	3	2
	<u>137</u>	<u>133</u>
Pension contributions	<u>32</u>	<u>31</u>

The remuneration package of the Principal, who is the accounting officer of the college, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

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

Relationship of Principal's pay and remuneration expressed as a multiple:

	<b>2023</b>	<b>2022</b>
Principal's basic salary as a multiple of the median of all staff	5.2	5.8
Principal's total remuneration as a multiple of the median of all staff	6.0	6.4

**Compensation for loss of office paid to former key management personnel**

	<b>2023</b>	<b>2022</b>
	<b>Group &amp; College</b>	<b>Group &amp; College</b>
	<b>£'000</b>	<b>£'000</b>
Compensation paid to the former post-holder	-	11
Estimated value of other benefits, including provisions for pension benefits	-	-

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

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**7 Other operating expenses**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Teaching costs	1,247	890	1,056	731
Non teaching costs	2,448	2,290	2,325	2,153
Premises costs	1,099	1,017	1,006	906
<b>Total</b>	<b>4,794</b>	<b>4,197</b>	<b>4,387</b>	<b>3,790</b>

**Other operating expenses include:**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration:				
External audit	44	28	40	26
Internal audit	26	26	20	20
Other services provided by the financial statements auditors	3	2	3	2
Hire of assets under operating leases	104	104	103	103

**8 Interest and other finance costs**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Pension finance costs (note 19)	142	142	228	228
<b>Total</b>	<b>142</b>	<b>142</b>	<b>228</b>	<b>228</b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**9 Tangible fixed assets**

**Group**

	Land and buildings (Freehold)	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2022	36,549	9,998	577	47,124
Additions	-	-	1,176	1,176
Transfer to Completed Assets	42	1,484	(1,526)	-
Disposals	-	-	-	-
	<hr/>			
<b>At 31 July 2023</b>	<b>36,591</b>	<b>11,482</b>	<b>227</b>	<b>48,300</b>
	<hr/>			
<b>Depreciation</b>				
At 1 August 2022	5,534	7,645	-	13,179
Charge for the year	719	967	-	1,686
Elimination in respect of disposals	-	-	-	-
	<hr/>			
<b>At 31 July 2023</b>	<b>6,253</b>	<b>8,612</b>	<b>-</b>	<b>14,865</b>
	<hr/>			
<b>Net book value at 31 July 2023</b>	<b>30,338</b>	<b>2,870</b>	<b>227</b>	<b>33,435</b>
	<hr/>			
Net book value at 31 July 2022	31,015	2,353	577	33,945
	<hr/>			



**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**9 Tangible fixed assets**

**College**

	Land and buildings (Freehold)	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2022	36,549	9,905	577	47,031
Additions	-	-	1,175	1,175
Transfer to Completed Assets	42	1,483	(1,525)	-
Disposals	-	-	-	-
	<b>36,591</b>	<b>11,388</b>	<b>227</b>	<b>48,206</b>
<b>Depreciation</b>				
At 1 August 2022	5,534	7,607	-	13,141
Charge for the year	719	941	-	1,660
Elimination in respect of disposals	-	-	-	-
	<b>6,253</b>	<b>8,548</b>	<b>-</b>	<b>14,801</b>
<b>Net book value at 31 July 2023</b>	<b>30,338</b>	<b>2,840</b>	<b>227</b>	<b>33,405</b>
Net book value at 31 July 2022	31,015	2,298	577	33,890

Land and buildings were valued on 18 March 2022 at reinstatement cost by JLL a firm of independent chartered surveyors. The valuation totalled £58,405,000. This has not been reflected within the financial statements.

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**10 Intangible fixed assets**

**Group**

	Software and Licences	Assets in the Course of Construction	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 August 2022	489	-	489
Additions	24	-	24
Transfer to Completed Assets	-	-	-
Disposals	-	-	-
	<b>513</b>	<b>-</b>	<b>513</b>
<b>Depreciation</b>			
At 1 August 2022	446	-	446
Charge for the year	23	-	23
Elimination in respect of disposals	-	-	-
	<b>469</b>	<b>-</b>	<b>469</b>
<b>Net book value at 31 July 2023</b>	<b>44</b>	<b>-</b>	<b>44</b>
Net book value at 31 July 2022	43	-	43

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**10 Intangible fixed assets**

**College**

	Software and Licences	Assets in the Course of Construction	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 August 2022	489	-	489
Additions	24	-	24
Transfer to Completed Assets	-	-	-
Disposals	-	-	-
	<b>513</b>	<b>-</b>	<b>513</b>
<b>Depreciation</b>			
At 1 August 2022	446	-	446
Charge for the year	23	-	23
Elimination in respect of disposals	-	-	-
	<b>469</b>	<b>-</b>	<b>469</b>
<b>Net book value at 31 July 2023</b>	<b>44</b>	<b>-</b>	<b>44</b>
Net book value at 31 July 2022	43	-	43

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**11 Trade and other receivables**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:				
Trade receivables	317	289	316	305
Prepayments and accrued income	357	325	427	347
Other debtors	234	234	117	113
Amounts owed by the ESFA	305	236	290	210
<b>Total</b>	<b>1,213</b>	<b>1,084</b>	<b>1,150</b>	<b>975</b>

**12 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	815	775	799	754
Other taxation and social security	199	166	193	159
Accruals and deferred income	2,330	2,249	1,606	1,495
Deferred income - government capital grants	340	340	303	303
Amounts owed to the ESFA	343	343	449	449
<b>Total</b>	<b>4,027</b>	<b>3,873</b>	<b>3,350</b>	<b>3,160</b>

**13 Creditors: amounts falling due after one year**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deferred income - government capital grants	2,514	2,514	2,431	2,431
<b>Total</b>	<b>2,514</b>	<b>2,514</b>	<b>2,431</b>	<b>2,431</b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**14 Provisions**

	Defined benefit Obligations	Enhanced Pensions	Total
	Group & College £'000	Group & College £'000	Group & College £'000
At 1 August 2022	(3,135)	(972)	(4,107)
Expenditure in the period	-	74	74
Transferred from income and expenditure	3,135	65	3,200
<b>At 31 July 2023</b>	<b>-</b>	<b>(833)</b>	<b>(833)</b>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 19.

The Local Government Pension Scheme has an asset value of £8,000. FRS102 stipulates that a net pension asset may only be recognised where there is an unconditional right to a refund or to a reduction in future in future contributions. As a consequence this value has not been recognised in these accounts.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date.

The principal assumptions for this calculation are:

	2023	2022
Price inflation	3.00%	2.60%
Discount rate	5.05%	3.40%

**15 Cash and cash equivalents**

Group	At 1 August 2022	Cash flows	Other changes	At 31 July 2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	10,086	1,614	-	11,700
<b>Total</b>	<b>10,086</b>	<b>1,614</b>	<b>-</b>	<b>11,700</b>
College	At 1 August 2022	Cash flows	Other changes	At 31 July 2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	9,767	1,596	-	11,363
<b>Total</b>	<b>9,767</b>	<b>1,596</b>	<b>-</b>	<b>11,363</b>

**16 Capital commitments**

	2023 Group & College £'000	2022 Group & College £'000
Commitments contracted for at 31 July	277	354

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**17 Lease Obligations**

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

	<b>2023</b>	<b>2022</b>
	<b>Group &amp; College</b>	<b>Group &amp; College</b>
	<b>£'000</b>	<b>£'000</b>
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	20	20
Later than one year and not later than five years	20	40
later than five years	-	-
	<u>40</u>	<u>60</u>
<b>Other</b>		
Not later than one year	32	48
Later than one year and not later than five years	66	97
later than five years	-	-
	<u>98</u>	<u>145</u>
<b>Total lease payments due</b>	<u>98</u>	<u>145</u>

**18 Events after the reporting period**

There are no events after the reporting period.

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**19 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 Wessex Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

<b>Total pension cost for the year</b>	<b>2023</b>	<b>2022</b>
	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>
Teachers Pension Scheme: contributions paid	720	668
Local Government Pension Scheme:		
Contributions paid	603	681
FRS 102 (28) charge	<u>153</u>	<u>791</u>
Charge to the Statement of Comprehensive Income	756	1,472
Enhanced pension charge to Statement of Comprehensive Income	-	-
<b>Total Pension Cost for Year within staff costs</b>	<b><u>1,476</u></b>	<b><u>2,140</u></b>

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 2016 and of the LGPS 31 March 2022.

There were no outstanding contributions to the TPS at the end of the year (£ NIL at the start of the year) and no outstanding pension contributions to the LGPS (normal contributions) at the end of the year (£ NIL at the start of the year).

**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.

## **Basingstoke College of Technology Notes to the Accounts (continued)**

### **19 Defined benefit obligations (continued)**

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020/21 academic year.

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

The pension costs paid to TPS in the year amounted to £982,391 (2022: £916,777). Employer contributions amounted to £716,920 (2022: £668,486) and employee contributions amounted to £265,471 (2022: £248,291).

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by Hampshire County Council Local Authority.

The total contributions made for the year ended 31 July 2023 were £763,995 of which employer's contributions totalled £602,659 and employees' contributions totalled £161,336. The agreed contribution rates for future years are 23.0% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.



**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**19 Defined benefit obligations (continued)**

**Principal Actuarial Assumptions**

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

	<b>At 31 July 2023</b>	<b>At 31 July 2022</b>
Rate of increase in salaries	4.0%	3.6%
Future pensions increases	3.0%	2.6%
Discount rate for scheme liabilities	5.1%	3.4%
Inflation assumption (CPI)	3.0%	2.6%
Pension accounts revaluation rate	3.0%	2.6%

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

	<b>At 31 July 2023 years</b>	<b>At 31 July 2022 years</b>
<i>Current Pensioners</i>		
Males	22.10	22.90
Females	24.70	25.40
<i>Future Pensioners *</i>		
Males	22.60	24.70
Females	25.70	27.10

\* Figures assume members aged 45 as at the last formal valuation date.

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**19 Defined benefit obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	Fair Value at 31 July 2023	Fair Value at 31 July 2022
	£'000	£'000
Equities	13,327	15,147
Bonds	7,228	5,426
Property	1,355	1,809
Cash	678	226
<b>Total market value of assets</b>	<b><u>22,588</u></b>	<b><u>22,608</u></b>
<b>Actual return on plan assets</b>	<b><u>(125)</u></b>	<b><u>(893)</u></b>

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

	2023 £'000	2022 £'000
Fair value of plan assets	22,588	22,608
Present value of plan liabilities	(22,580)	(25,743)
Adjustment to bring pension asset to NIL	(8)	-
<b>Net pensions liability (Note 14)</b>	<b><u>-</u></b>	<b><u>(3,135)</u></b>

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

	2023 £'000	2022 £'000
<b>Amounts included in staff costs</b>		
Current service cost	(792)	(1,474)
<b>Total</b>	<b><u>(792)</u></b>	<b><u>(1,474)</u></b>

**Amounts included in investment income**

Net interest expense	109	207
	<b><u>109</u></b>	<b><u>207</u></b>

**Amounts recognised in Other Comprehensive Income**

Return on pension plan assets	(887)	(1,290)
Experience gains arising on defined benefit obligations	4,292	11,668
Return on enhanced pension plan assets	99	212
Adjustment to bring pension asset to NIL	(8)	-
<b>Amount recognised in Other Comprehensive Income</b>	<b><u>3,496</u></b>	<b><u>10,590</u></b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**19 Defined benefit obligations (continued)**

**Local Government Pension Scheme (continued)**

**Movement in net defined benefit liability during the year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Deficit in scheme at 1 August	(3,135)	(12,515)
Movement in year:		
Current service cost	(792)	(1,474)
Employer contributions	638	683
Curtailment cost	-	-
Net interest on the defined liability	(109)	(207)
Actuarial gain or loss	3,406	10,378
<b>Net defined benefit liability at 31 July</b>	<b><u>8</u></b>	<b><u>(3,135)</u></b>

**Asset and Liability Reconciliation**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	25,743	35,687
Current Service cost	792	1,474
Interest cost	879	604
Contributions by Scheme participants	161	189
Experience gains and losses on defined benefit obligations	(4,293)	(11,668)
Estimated benefits paid	(702)	(543)
Curtailment cost	-	-
<b>Defined benefit obligations at end of period</b>	<b><u>22,580</u></b>	<b><u>25,743</u></b>
<b>Changes in fair value of plan assets</b>		
<b>Fair value of plan assets at start of period</b>	22,608	23,172
Interest on plan assets	770	397
Return on plan assets	(887)	(1,290)
Employer contributions	638	683
Contributions by Scheme participants	161	189
Estimated benefits paid	(702)	(543)
<b>Fair value of plan assets at end of period</b>	<b><u>22,588</u></b>	<b><u>22,608</u></b>

**Basingstoke College of Technology**  
**Notes to the Accounts (continued)**

**20 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.

A College governor is also an employee of Greenhouse Graphics Limited, an organisation with which the College conducted business to the value of £2,280

The total expenses paid to or on behalf of the Governors during the year was £513 and related to one governor (2022: £484; two governors). 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: NIL).

The Principal is reimbursed for home broadband costs. The amount reimbursed during the year amounted to £518 (2022: £681).

**21 Amounts disbursed as agent**

**Learner support funds**

	<b>2022</b> <b>Group &amp;</b> <b>College</b> <b>£'000</b>	<b>2022</b> <b>Group &amp;</b> <b>College</b> <b>£'000</b>
Funding body grants - guaranteed bursary	10	20
	<u>10</u>	<u>20</u>
Disbursed to students	(8)	(13)
Balance unspent as at 31 July, included in creditors	<u>2</u>	<u>7</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent.

**22 Write off's, losses, guarantees, letters of comfort, compensation payments**

The College has nothing to disclose in relation to spending or commitments for the above.