



Annual Report and Financial Statements

Year ended 31 July 2021

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 2020/21:

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

Matthew Garvey, Managing Director

Board of Governors

A full list of College Governors is given on page 18 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 2021.

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 new 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 is 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 386 people, of whom 146 are teaching staff.

The College enrolled 6,483 students during 2020/21. The College's student population includes 1,628 16-18-year-old college-based students, 804 apprentices (all ages), 3,981 adult students and 70 14-16 aged learners.

The Group has £25.6 million of net assets (including a £12.5 million pension liability in relation to the Local Government Pension Scheme and £1.2 million for the Enhanced Pension Scheme). The Group has no long-term debt (2019/20: £nil) excluding provisions in relation to the pension schemes in place.

Tangible resources include the main College site (rebuilding cost valued at £51.4 million in 2018) and net current assets of £7.4 million. The Group expects to maintain existing levels of net current assets over the next two years.

COVID-19

The College was able to switch seamlessly between in-person and on-line teaching throughout the year which enabled all students to receive continuous learning throughout the pandemic period. The College anticipated a disrupted year and pro-actively re-sequenced curriculum delivery to focus practical activities at the beginning and end of the year, with more theory teaching delivered during the November 2020 to March 2021 lockdown period, and more practical teaching on-site.

Student retention and achievement both improved in 2020/21.

The College's nursery remained operational throughout the year, with the exception of a two-week period when it was forced to close due to a high level of COVID-19 infections.

Catch-up funding was used effectively to assist those students who had fallen behind in maths and English. Both subjects saw GCSE pass rates improve over previous years.

All full-time and part-time students completed their course by the planned end date. Unfortunately for some apprentices this was not possible because of the disruption caused by COVID to their employer's businesses, these apprentices remain on programme and will complete during 2021/22.

The value of funded adult enrolments was again dampened by the lockdown effect. The College's outturn against contract was 88%, slightly below the level anticipated when the mid-year forecast was returned to the ESFA.

Apprenticeship starts also declined in 2020/21 due to COVID. The decline was around 25%, not as bad as earlier estimates but still substantial.

Detailed plans and risk assessments were prepared for the college's enrolment and reopening at the beginning of September 2020. An extensive testing programme was put in place, with students being tested three times when they returned to College in March 2021.

Property Strategy

The College has spent over £15 million over the last nine years to improve its accommodation and equipment resources. The College estate is in good shape and provides an excellent foundation for the delivery of high-quality teaching and learning.

The College was disappointed to be unsuccessful in its bid to the ESFA Building Transformation Fund to secure funding towards an extensive refurbishment on F Block. It was felt this project was a good candidate for funding due to its age and condition. The college will now look at alternative approaches to this block to ensure it provides a high-quality learning environment.

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. A new property strategy was produced in 2020.

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 brand-new construction training centre was opened in September 2017, generated a modest surplus for the first time in 2019/20 and reported a further modest surplus in 2021/21. The college agreed revised terms with the landlord which has enabled it to maintain its operations there and build on the successes achieved to date.

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 18.

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

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

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 2020/21 exceeded expectations, however the FRS102 accounting adjustments for pensions have increased massively this year, with a total cost of £1,072k being passed through the SOCI and resulting in an overall Group deficit of £374k.

The following table illustrates the impact of the FRS102 pension adjustments:

Description	Amount (£000)
Income (excluding capital grant release)	18,450
Pay Costs (excluding FRS102 adjustments)	(10,872)
Non-pay costs (excluding FRS 102 adjustments and depreciation)	(5,555)
Education Specific EBITDA	2,023
Less non-cash SOCI items:	
Capital grant release	349
Depreciation	(1,674)
FRS102 pensions	(1,072)
Reported deficit per SOCI	(374)

BCoT

2020/21 saw another year of growth in the key 16-18 aged students enrolling at BCoT. The increase was 79 students, which added to the previous year's growth of 170 has made a significant difference. On top of this growth, 2020/21 also saw the government increase the unit of funding for 16-18 students (for the first time in several years). In addition, the college was awarded £572k of condition improvement grant and received a £482k capital grant for digital investment to respond to COVID from Enterprise M3 LEP. There was also a new £200k grant to support students falling behind in their education due to COVID.

At the same time as this injection of income, operating costs have been lower than normal because of the lockdown periods throughout the year. These factors have all combined to provide a welcome boost to the college's financial position.

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, despite the economic uncertainty, to be able to make a general pay award to all staff of £400 pro-rata. This is the third successive year that an award has been made and 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 £2.4 million (2019/20 £1.3 million), net cash flow from operating activities remains strong. Cash expended on the acquisition of fixed assets amounted to £1.5 million. During the year there was an increase in cash of £1.7 million.

Reserves

The College has accumulated reserves of £25.0 million and cash and short-term investment balances of £8.4 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 2020/21 the FE funding bodies provided 71% of the College's total income.

Financial health

The College assessed its financial health at 31 July 2021 to be outstanding in accordance with ESFA Financial Health Measures.

Streamlined Energy and Carbon Reporting

The college is committed to reducing its carbon emissions and has introduced the following measures 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
- Building improvements have improved thermal insulation and reduced heating demand

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

	1 August 2020 to 31 July 2021	1 August 2019 to 31 July 2020
Energy consumption used to calculate emissions (kWh)	2,591,542	2,455,988
Energy breakdown (kWh)		
Gas	1,531,463	1,536,001
Electricity	1,019,420	780,099
Transport Fuel	40,659	139,888
Scope 1 emissions in metric tonnes CO2 equivalent		
Gas consumption	281	282
Owned transport	5	5
	<u>286</u>	<u>287</u>
Scope 2 emissions in metric tonnes CO2 equivalent		
Purchased electricity	<u>216</u>	<u>182</u>
Scope 3 emissions in metric tonnes CO2 equivalent		
Business travel in employees owned vehicles	<u>6</u>	<u>34</u>
Total gross emissions in metric tonnes CO2 equivalent		
	<u><u>508</u></u>	<u><u>504</u></u>
Intensity ratio		
Tonnes of CO2 equivalent per staff member	<u>1.28</u>	<u>1.27</u>

Notes regarding the emissions calculations:

Qualification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 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.

The impact of COVID-19

2019/20 was not been a typical year of operation due the COVID-19 lockdown measures necessitating the college to close from March to July 2020 - during this time electricity consumption was significantly lower than usual. 2020/21 has also been impacted with lockdown throughout January and February 2021 and significantly reduced staff travel throughout the whole year. Consequently the expectation is that energy consumption will rise in 2021/22

CURRENT AND FUTURE DEVELOPMENT

Student achievements

The ongoing COVID pandemic continued to cause disruption to teaching and learning this year with online learning again forming a large part of learning programmes, particularly in the spring term. The college was well equipped to deal with this and students continue to prosper. Achievement rates show a strong improving trend and the overall achievement rate for all age groups remains high at over 88%. High GCSE pass rates, for both English and maths, have been maintained.

Curriculum developments

The College has continued to work towards delivering the key priorities defined in its 2016 – 2020 Strategic Plan:

- Adopt a commercial approach to apprenticeships, working in partnership with employers.
- Provide a curriculum that is responsive to job requirements and skills gaps.
- Transform our programmes of study that prepare 16 - 18 aged learners for a successful career.
- Use technology to enhance teaching, learning and assessment.
- Create an innovative work-based university centre on campus.
- Develop impactful relationships with key university partners.
- Employ industry experts and develop their teaching skills.
- Provide a high-quality learning environment using industry standard equipment

Throughout the past academic year, the College has worked to develop a new Strategic Plan, which came into effect from January 2021.

This year has seen the continued development of the English and math curriculum to ensure all students are making the expected progress. This has included introducing 'stepping stone' qualifications to support progression routes for adult learners. A new assessment process meant we were well placed to accurately predict and evidence grades for GCSE outcomes

There has been significant growth in learner numbers in construction this year and expansion is continuing with the introduction of 2 new full-time courses in plumbing and brickwork due to start in September 2021.

In Higher Education, a new partnership has been established with the University of Portsmouth to deliver HNCs in Engineering with the intention of expanding the range of course in future years.

The College has targeted plans for growth that are focussed on meeting the needs of employers and the local community whilst maintaining outstanding quality and high achievement rates. There is a particular focus on growing our HE and adult learning provision.

The College was successful in its bid to the Turing Scheme, the UK's global programme to study abroad, which will enable us to send students from a wide range of subject areas to immerse themselves in industries across Europe in the 2021/22 academic year. The students participating in this scheme will gain invaluable 'real world' work experience to enhance their subject knowledge and also have the opportunity to broaden their horizons with this life-changing cultural programme.

The College is recognised as one of the top performing education providers in the country in the application of technology to support teaching and learning and has been selected as an EdTech Demonstrator College by the Department of Education.

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. This is realised through the College's creative digital team and the continual investment in facilities and technology. The College's approach is to blend technology seamlessly into the curriculum, around students' needs, as well as across the entire College and is always led by the pedagogy and the future expectations of industry. Flipped learning, that is closely aligned to the curriculum, is a part of all programmes of study at level 2 and 3. Many courses enrolled on by adults and apprentices also include an element of blended or online learning in their programmes.

Apprenticeship opportunities are available in most vocational areas and offer an attractive alternative to full time study. Apprenticeships are available from level 2 to level 5; they provide clear routes into employment, are responsive to the local and regional economy and, financially, offer a cost-effective route to degree level study in some occupational sectors.

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The College offers an alternative education provision for young people, aged 14-25, with additional needs. Its holistic approach to education and training and a strong support team, providing wrap around services such as counselling, mentoring and professional support, ensures students achieve the qualifications and life skills they need for their future success.

Ofsted

The College was last inspected by Ofsted in May 2016 its overall effectiveness was judged to be 'Good'. Inspectors found the key strengths of the inspection were:

- Teaching, learning and assessment are good.
- Teachers make particularly innovative and effective use of information learning technology to engage and motivate learners.
- Staff maintain strong links with employers and use them well to enhance learners' and apprentices' experiences, provide valuable work experience placements and enable local businesses to grow and develop.
- Staff create an inclusive environment where learners and teachers are respectful and tolerant, and work well together.
- On completion of their programmes, most learners successfully progress to further study, apprenticeships, higher education or employment.
- All staff provide high standards of care, support and guidance for learners in the college, helping to ensure that learners undertake the course that best suits their skills and interests, and successfully progress to the next level on completion.
- The new leadership team has successfully implemented a range of improvement initiatives to reverse the decline in standards.
- Governors are knowledgeable and highly experienced; they make a valuable contribution to the smooth strategic and financial running of the college.

Governance

The college's corporation in conjunction with senior leaders, sets the strategic direction of the college and identifies targets to enable the performance of the college to be managed and assessed. Governors provide an appropriate balance of strategic direction, challenge and support which contributes to the work of the college and achievement of students.

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 self-assessment exercise each year. For 2020/21 the overall effectiveness of the College is judged as good with quality of education also assessed as good.

Financial plan

The College governors have approved a financial plan in July 2021 which sets objectives for the period to July 2022 and a forecast for 2022/23.

The College aims to maintain its ESFA Financial Health Grade of 'Outstanding' whilst recognising the position is more challenging due to COVID-19 with decreases in apprenticeships starts and adult enrolments and a return to full operating costs.

The College has budgeted an operating surplus before FRS102 pension adjustments for the year to 31 July 2022 and anticipates an overall increase in cash reserves over the year.

The College is considering whether it will proceed with the refurbishment of F block and the extent to which it can utilise cash reserves to fund the project.

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 £6.0 million (2019/20 £2.6 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, liquidity, and borrowing facilities.

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.

Based on the strategic plan, the Audit Committee undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year’s appraisal will review their effectiveness and progress against risk mitigation actions.

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.

Risk	Key Mitigating Actions
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
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	Alternative delivery of IAG (Information, advice and guidance) during pandemic 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 Programmes of Study changes Audit of procedures to be conducted Increase participants in apprenticeship review meetings Tighten tracking of apprenticeship progress

Risk	Key Mitigating Actions
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

During 2017/18 the Corporation updated the financial indicators it uses 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 surplus / (deficit) is still considered, but as one of seven measures which, taken together, provide an overview of the College's financial position.

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 over the year which 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 2020/21	Outturn 2020/21	Assessment
	Concern	Satisfactory	Strong			
ESFA financial health score	< 110	> 170	> 230	260	300	Strong
Cash generated from operations (available for capital)	<£500k	> £1.0 m	> £1.4 m	£1.259m	£1.989m	Strong
Capital expenditure as a proportion of cash generated	> 75%	50% to 75%	< 50%	65%	32%	Low
Surplus/(deficit) as a % of income	< -3%	> 0%	> 3%	-3.7%	-2.0%	Acceptable
Pay costs as a % of income	> 70%	< 67.5%	< 65%	63%	60%	Strong
Cash days	< 25 days	>42.5 days	> 60 days	181	206	Strong
Current ratio	< 1.0	> 1.6	> 2.0	4.5	3.7	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.

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.

The College is committed to playing a leading role in the advancement of anti-racism. During the year it signed the Race at Work Charter, committed to implementing the 10-point plan advocated by the Black FE Leadership Group and published, for the first time, data relating to BAME participation, employment and salaries. Further work is planned for the future.

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 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.

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 2016) - 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 2021.

	Mean	Median
Pay	15.3%	20.8%
Bonus	0%	0%

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

Quartile	Males	Females
Lower	20%	80%
Lower Middle	22%	78%
Upper Middle	45%	55%
Upper	41%	59%

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.

2020/21 pay gap (a positive figure indicates the black/BAME average is higher than the white British average)	Mean difference	Median difference
All black staff	+10.3%	+15.8%
All black staff (excluding Principal)	+0.4%	+9.1%
All BAME staff	+2.7%	-5.3%
All BAME staff (excluding Principal)	-3.3%	-7.7%

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	22%	78%
Quartile 2	9%	91%
Quartile 3	10%	90%
Quartile 4	18%	82%

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 2020/21 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 2020 to 31 July 2021, the College paid 83 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 8 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Howe', written in a cursive style.

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 1st August 2020 to 31st July 2021 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 2021. 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.

	Member	Category	Term of Office	Committee Membership	Notes	Attendance
1	George Batho	External	Full year	F&R, Remun		70%
2	Joy Bibby	External	From 1/4/2021	C&Q from 1/9/2021		100%
3	Anthony Bravo	Principal	Full year	C&Q, F&R, Search, Cap Proj		100%
4	Priya Brown	External	From 1/4/2021	C&Q from 1/9/2021		100%
5	Charles Cardiff	External	Full year	Audit	Chair of Audit	100%
6	Terry Clark	Staff	Full year	C&Q		89%
7	Kevin Croombs	External	Full year	F&R		100%
8	Greg Devereux-Cooke	Staff	Full year	F&R		100%
9	Steve Fussey	External	Full year	C&Q, Remun, Cap Proj	Vice Chair of Corp Chair of C&Q Chair Cap Proj	100%
10	Mike Howe	External	Full year	F&R, Search, Cap Proj	Chair of Corp Vice Chair F&R	100%
11	Beryl Huntingdon	External	Full year	C&Q Audit from 1/9/2021		29%**
12	Nicole Martin	External	Full year	Audit		78%
13	Anne Millar	External	Full year	C&Q, Search Remun from 1/9/2021	Vice Chair of C&Q	100%
14	Arun Mummanaleni	External	From 1/4/2021	F&R from 1/9/2021		50%
15	Dave Murray	External	Full year	F&R, Cap Proj		100%
16	Martin Slatford	External	Full year	Audit		100%
17	Barry Smith	External	From 1/4/2021	F&R from 1/9/2021		50%
18	Colin Willoughby	External	Full year	F&R, Cap Proj Audit from 1/9/2021		91%
19	Pamela Woolgrove	External	Full year	Audit, Search	Chair of Search Vice Chair Audit	92%
20	Holly Keast	Student	14/10/20 to 1/2/21	C&Q		0%

NOTES: ** Leave of absence for exception circumstances/C&Q=Curriculum & Quality Ctte/F&R=Finance & Resources Ctte

External Co-opted Member on Audit Committee

	Vacancy (Nicole Martin)	Co-opted	Annual	Audit		
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External Co-opted Member on Curriculum & Quality Committee

	Sophie Hallam Barnard	Co-opted	Annual	C&Q		100%
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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 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 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 2020/21 has continued to be dominated by the Covid-19 pandemic. This has affected the whole operation of the College since the start of the pandemic in March 2020, and continues to have an impact into the 2021/22 year and beyond.

Despite all predictions during the summer of 2020 full time enrolments in September 2020 showed an increase over the same period in 2019. However, as anticipated, part time adult enrolments and apprenticeship enrolments were considerably down. Most learning was undertaken online and this allowed for improvements to the College estate to continue without causing unnecessary disruption to the majority of the student population.

Funding challenges continued to be a significant factor during the year. The Corporation and the Finance & Resources Committee monitored closely the financial impact of Covid-19 on the College. They were especially pleased that the end of year financial results have showed good improvement on the original budgeted forecast deficit of £599k despite all the challenges facing the UK and College.

The Corporation (and all the Committees) continued to meet regularly during the period, mostly by video-conferencing, without any detriment to the business considered or input from Members.

A new Strategic Plan covering 2021-2025 was also developed and approved.

Five new Members of the Corporation were appointed during the year. As most of the appointment process was undertaken virtually all the new Members have integrated very well into the operation of the Corporation and the College.

The Corporation continues to work closely with the Senior Management Team to ensure teaching and the curriculum are continuously reviewed to meet learners and employers needs and the College maintains a flexible approach to learning, especially as 'more normal' operations start to resume following the three 'lockdowns' imposed throughout the UK because of Covid-19.

Members continue to challenge the Corporation and the senior management team 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 forward to 2021/22 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 UK 'learning' to live with Covid-19 the operation of the College vis-à-vis the learning environment will continue to be monitored very closely. 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.

Remuneration Committee

Throughout the year ending 31 July 2021 the College's Remuneration Committee comprised three members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2021 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 four times in the year to 31 July 2021. The members of the committee and their attendance records are shown below:

Committee Member	Meetings Attended
Charles Cardiff (Chair)	4
Pamela Woolgrove (Vice Chair)	4
Nicole Martin	3
Martin Slatford	4

Finance and Resources Committee

The Finance and Resources Committee is made up of nine 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 five 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 eight 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 three 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 2021 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 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

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.

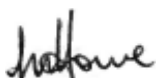
The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous 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 November 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2021.

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 8 December 2021 and signed on its behalf by:



M Howe
Chair of Governors



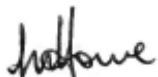
A Bravo
Accounting Officer

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreement and contracts with the ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contracts with the ESFA, or any other public funder.

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



M Howe
Chair of Governors



A Bravo
Accounting Officer

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's grant funding agreements and contracts with the 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, the 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

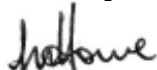
The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the 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 in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the College's website; the work carried out by the 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 by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. 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 economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 8 December 2021 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 2020 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 2021 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 2020 to 2021 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 Responsibilities set out on page 24 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 safeguarding, 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 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 14 May 2020. 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: 14/12/21

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

In accordance with the terms of our engagement letter dated 14 May 2020 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, including the Greater London Authority] 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 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the corporation of Basingstoke College of Technology and the ESFA and the Greater London Authority 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 and the Greater London Authority 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 and the Greater London Authority 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 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA and in accordance with any guidance provided by a relevant devolved authority. We performed a limited assurance engagement as defined in that framework

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

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

Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity 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;
- 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.

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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Alliotts LLP', with a stylized flourish at the end.

Alliotts LLP

Date: 14/12/21

Basingstoke College of Technology
Consolidated Statements of Comprehensive Income and Expenditure

	Notes	2021 Group	2021 College	2020 Group	2020 College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	2	13,991	12,395	13,130	10,800
Tuition fees and education contracts	3	2,431	2,579	2,495	2,698
Other income	4	2,366	2,090	1,916	1,654
Investment income	5	18	16	44	44
Total income		18,806	17,080	17,585	15,196
EXPENDITURE					
Staff costs	6	11,626	10,761	10,900	10,051
Fundamental restructuring costs	6	104	96	164	100
Other operating expenses	7	5,554	4,739	5,181	3,720
Depreciation and amortisation	9/10	1,674	1,651	1,434	1,421
Interest and other finance costs	8	222	222	197	197
Total expenditure		19,180	17,469	17,876	15,489
Deficit before other gains and losses		(374)	(389)	(291)	(293)
(Loss) on disposal of assets	9	-	-	(45)	(45)
Deficit for the year		(374)	(389)	(336)	(338)
Actuarial gain / (loss) in respect of pension schemes	19	3,481	3,481	(6,258)	(6,258)
Total Comprehensive Income for the year		3,107	3,092	(6,594)	(6,596)

The statement of comprehensive income is in respect of continuing activities

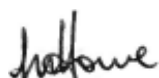
Basingstoke College of Technology
Consolidated and College Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 1st August 2019	9,344	19,699	29,043
Surplus from the income and expenditure account	(336)	-	(336)
Other comprehensive income / (expenditure)	(6,258)	-	(6,258)
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	(6,232)	(362)	(6,594)
Balance at 31st July 2020	3,112	19,337	22,449
Surplus from the income and expenditure account	(374)	-	(374)
Other comprehensive income / (expenditure)	3,481	-	3,481
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	3,469	(362)	3,107
Total comprehensive income for the year	3,469	(362)	3,107
Balance at 31st July 2021	6,581	18,975	25,556
College			
Balance at 1st August 2019	8,816	19,699	28,515
Surplus from the income and expenditure account	(338)	-	(338)
Other comprehensive income / (expenditure)	(6,258)	-	(6,258)
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	(6,234)	(362)	(6,596)
Balance at 31st July 2020	2,582	19,337	21,919
Surplus from the income and expenditure account	(389)	-	(389)
Other comprehensive income / (expenditure)	3,481	-	3,481
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	3,454	(362)	3,092
Total comprehensive income for the year	3,454	(362)	3,092
Balance at 31st July 2021	6,036	18,975	25,011

Basingstoke College of Technology
Consolidated Balance Sheets as at 31 July 2021

	Notes	2021 Group	2021 College	2020 Group	2020 College
		£'000	£'000	£'000	£'000
Non current assets					
Tangible fixed assets	9	34,610	34,528	34,849	34,818
Intangible fixed assets	10	65	65	41	41
		34,675	34,593	34,890	34,859
Current assets					
Stocks		6	6	2	2
Trade and other receivables	11	854	678	1,401	1,140
Cash and cash equivalents	15	8,887	8,358	7,174	6,519
		9,747	9,042	8,577	7,661
Less: Creditors - amounts falling due within one year	12	(2,397)	(2,155)	(2,304)	(1,887)
Net current assets		7,350	6,887	6,273	5,774
Total assets less current liabilities		42,025	41,480	41,163	40,633
Less: Creditors – amounts falling due after more than one year	13	(2,716)	(2,716)	(2,476)	(2,476)
Provisions					
Defined benefit obligations	14	(12,515)	(12,515)	(15,000)	(15,000)
Enhanced pension provision	14	(1,238)	(1,238)	(1,238)	(1,238)
Total net assets		25,556	25,011	22,449	21,919
Unrestricted reserves					
Income and expenditure account		6,581	6,036	3,112	2,582
Revaluation reserve		18,975	18,975	19,337	19,337
Total unrestricted reserves		25,556	25,011	22,449	21,919

The financial statements on pages 31 to 58 were approved and authorised for issue by the Corporation on 8 December 2021 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	2021 £'000	2020 £'000
Cash inflow from operating activities			
(Deficit)/Surplus for the year		(374)	(336)
Adjustment for non cash items			
Depreciation	9	1,633	1,403
Amortisation	10	41	31
Release of deferred capital grants		(349)	(155)
Increase / (Decrease) in provisions	14	14	(59)
Pensions costs less contributions payable	19	982	632
Decrease in holiday pay accrual		(42)	-
		<u>2,279</u>	<u>1,852</u>
Movement in working capital			
Decrease / (Increase) in debtors	11	547	(310)
(Decrease) / Increase in creditors due within one year	12	(34)	155
		<u>513</u>	<u>(155)</u>
Investment income	5	(18)	(44)
Net cash flow from operating activities		<u>2,400</u>	<u>1,317</u>
Adjustment for investing activities			
Payments made to acquire fixed assets		(1,463)	(1,916)
Receipt of deferred capital grants		758	206
Investment income	5	18	44
Loss on disposal of fixed assets		-	45
Net cash flow from investing activities		<u>(687)</u>	<u>(1,621)</u>
Increase in cash and cash equivalents in the year		<u>1,713</u>	<u>(304)</u>
Cash and cash equivalents at beginning of the year	15	7,174	7,478
Cash and cash equivalents at end of the year	15	8,887	7,174

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 2020 to 2021* 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 at least a reasonable 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 Offs 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. 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

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 2019 to value the pensions liability at 31 July 2021. 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

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Recurrent grants				
Education and Skills Funding Agency - adult	2,104	2,104	2,102	2,102
Education and Skills Funding Agency - 16-18	7,965	7,600	6,251	5,961
Education and Skills Funding Agency - apprenticeships	3,467	2,236	4,550	2,510
Office for Students - HE	106	106	72	72
Specific Grants				
Education and Skills Funding Agency - provider relief	-	-	-	-
Releases of government capital grants	349	349	155	155
Total	13,991	12,395	13,130	10,800

3 Tuition fees and education contracts

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Adult education fees	980	980	832	832
Apprenticeship fees and contracts	316	464	464	667
Fees for FE loan supported courses	299	299	450	450
Fees for HE loan supported courses	147	147	192	192
International students fees	12	12	22	22
Total tuition fees	1,754	1,902	1,960	2,163
Education contracts	677	677	535	535
Total	2,431	2,579	2,495	2,698

Total grant and fee income

Grant income from the OfS	106	106	72	72
Grant income from other bodies	13,885	12,289	13,058	10,728
Total grants	13,991	12,395	13,130	10,800
Fee income for taught awards (exclusive of VAT)	147	147	192	192
Fee income from non-qualifying courses (exclusive of VAT)	2,284	2,432	2,303	2,506
Total tuition fees and education contracts	2,431	2,579	2,495	2,698
Total grant and fee income	16,422	14,974	15,625	13,498

Basingstoke College of Technology
Notes to the Accounts (continued)

4 Other income

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Catering and residences	115	115	186	186
Other income generating activities	741	632	736	565
Other grant income	1,074	1,032	413	338
Non government capital grants	-	-	-	-
Coronavirus Job Retention Scheme grant	27	27	119	63
ESFA Provider Relief Scheme	89	-	-	-
Miscellaneous income	320	284	462	502
Total	2,366	2,090	1,916	1,654

The Corporation furloughed a small number of Catering, Restaurant and Nursery staff under the government's Coronavirus Job Retention Scheme. The funding received relates to staff costs which are included within the staff costs note 6.

5 Investment income

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Other interest receivable	18	16	44	44
Total	18	16	44	44

6 Staff costs

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

	2021 Group	2021 College	2020 Group	2020 College
By Headcount	Headcount	Headcount	Headcount	Headcount
Teaching staff	146	129	144	126
Non teaching staff	240	141	272	179
	386	270	416	305

	2021 Group	2021 College	2020 Group	2020 College
By full time equivalent staff (FTE)	FTE	FTE	FTE	FTE
Teaching staff	83	70	106	80
Non teaching staff	152	98	176	122
	235	168	282	202

Staff costs for the above persons

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Wages and salaries	8,302	6,264	8,164	6,335
Social security costs	705	551	681	545
Other pension costs	2,297	2,192	1,909	1,820
Payroll sub total	11,304	9,007	10,754	8,700
Enhanced pension plan new retirees	73	73	-	-
Reduction in holiday pay accrual	(42)	(42)	-	-
Contracted out staffing services	291	1,723	146	1,351
Total Staff Costs	11,626	10,761	10,900	10,051
Fundamental restructuring costs				
- contractual	87	79	105	75
- non contractual	17	17	59	25
	11,730	10,857	11,064	10,151

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 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

	2021 Group & College No.	2020 Group & College No.
The number of key management personnel including the Accounting Officer was:	5	5

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:

	Key management personnel		Other staff	
	2021 Group & College No.	2020 Group & College No.	2021 Group & College No.	2020 Group & College No.
£60,001 to £65,000	1	1	1	-
£75,001 to £80,000	-	1	-	-
£80,001 to £85,000	1	1	-	-
£85,001 to £90,000	1	-	-	-
£95,001 to £100,000	1	1	-	-
£130,001 to £135,000	1	1	-	-
	<u>5</u>	<u>5</u>	<u>1</u>	<u>-</u>

Key management personnel compensation is made up as follows:

	2021 Group & College £'000	2020 Group & College £'000
Salaries	463	487
Employers National Insurance	58	61
Benefits in kind	7	5
	<u>528</u>	<u>553</u>
Pension contributions	92	84
Total key management personnel compensation	<u><u>620</u></u>	<u><u>637</u></u>

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:

	2021 Group & College £'000	2020 Group & College £'000
Salaries	131	131
Benefits in kind	2	2
	<u>133</u>	<u>133</u>
Pension contributions	<u>31</u>	<u>30</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:

	2021	2020
Principal's basic salary as a multiple of the median of all staff	5.5	5.5
Principal's total remuneration as a multiple of the median of all staff	5.9	6.0

Compensation for loss of office paid to former key management personnel

	2021 Group & College £'000	2020 Group & College £'000
Compensation paid to the former post-holder	<u>-</u>	<u>34</u>
Estimated value of other benefits, including provisions for pension benefits	<u>-</u>	<u>-</u>

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

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	1,729	1,162	2,194	993
Non teaching costs	2,133	1,985	1,906	1,744
Premises costs	1,692	1,592	1,081	983
Total	5,554	4,739	5,181	3,720

Other operating expenses include:

	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Auditors' remuneration:				
External audit	31	23	25	21
Internal audit	12	12	8	8
Other services provided by the financial statements auditors	1	1	5	1
Hire of assets under operating leases	105	105	102	102

8 Interest and other finance costs

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Pension finance costs (note 19)	222	222	197	197
Total	222	222	197	197

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
Cost or valuation				
At 1 August 2020	36,271	7,851	633	44,755
Additions	-	74	1,320	1,394
Transfer to Completed Assets	232	1,531	(1,763)	-
Disposals	-	-	-	-
At 31 July 2021	36,503	9,456	190	46,149
Depreciation				
At 1 August 2020	4,103	5,803	-	9,906
Charge for the year	715	918	-	1,633
Elimination in respect of disposals	-	-	-	-
At 31 July 2021	4,818	6,721	-	11,539
Net book value at 31 July 2021	31,685	2,735	190	34,610
Net book value at 31 July 2020	32,168	2,048	633	34,849

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
Cost or valuation				
At 1 August 2020	36,271	7,835	633	44,739
Additions	-	-	1,320	1,320
Transfer to Completed Assets	232	1,531	(1,763)	-
Disposals	-	-	-	-
At 31 July 2021	36,503	9,366	190	46,059
Depreciation				
At 1 August 2020	4,103	5,818	-	9,921
Charge for the year	715	895	-	1,610
Elimination in respect of disposals	-	-	-	-
At 31 July 2021	4,818	6,713	-	11,531
Net book value at 31 July 2021	31,685	2,653	190	34,528
Net book value at 31 July 2020	32,168	2,017	633	34,818

Land and buildings were valued on 31 July 2014 at depreciated replacement cost by JLL a firm of independent chartered surveyors. The valuation totalled £32,330,000.

Basingstoke College of Technology
Notes to the Accounts (continued)

10 Intangible fixed assets

Group

	Software and Licences £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation			
At 1 August 2020	421	-	421
Additions	-	65	65
Transfer to Completed Assets	65	(65)	-
Disposals	-	-	-
	<hr/>		
At 31 July 2021	486	-	486
	<hr/>		
Depreciation			
At 1 August 2020	380	-	380
Charge for the year	41	-	41
Elimination in respect of disposals	-	-	-
	<hr/>		
At 31 July 2021	421	-	421
	<hr/>		
Net book value at 31 July 2021	65	-	65
	<hr/>		
Net book value at 31 July 2020	41	-	41
	<hr/>		

Basingstoke College of Technology
Notes to the Accounts (continued)

10 Intangible fixed assets

College

	Software and Licences £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation			
At 1 August 2020	421	-	421
Additions	-	65	65
Transfer to Completed Assets	65	(65)	-
Disposals	-	-	-
	<hr/>		
At 31 July 2021	486	-	486
	<hr/>		
Depreciation			
At 1 August 2020	380	-	380
Charge for the year	41	-	41
Elimination in respect of disposals	-	-	-
	<hr/>		
At 31 July 2021	421	-	421
	<hr/>		
Net book value at 31 July 2021	65	-	65
	<hr/>		
Net book value at 31 July 2020	41	-	41
	<hr/>		

11 Trade and other receivables

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	210	178	434	409
Prepayments and accrued income	303	254	240	155
Other debtors	5	1	277	257
Amounts owed by the ESFA	336	245	450	319
Total	854	678	1,401	1,140

12 Creditors: amounts falling due within one year

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Trade payables	962	481	531	409
Other taxation and social security	157	157	165	165
Accruals and deferred income	624	956	1,294	1,143
Deferred income - government capital grants	377	324	155	155
Amounts owed to the ESFA	277	237	159	15
Total	2,397	2,155	2,304	1,887

13 Creditors: amounts falling due after one year

	2021 Group	2021 College	2020 Group	2020 College
	£'000	£'000	£'000	£'000
Deferred income - government capital grants	2,716	2,716	2,476	2,476
Total	2,716	2,716	2,476	2,476

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 2020	(15,000)	(1,238)	(16,238)
Expenditure in the period	-	76	76
Transferred from income and expenditure	2,485	(76)	2,409
At 31 July 2021	<u>(12,515)</u>	<u>(1,238)</u>	<u>(13,753)</u>

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 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:

	2021	2020
Price inflation	2.60%	2.20%
Discount rate	1.70%	1.40%

15 Cash and cash equivalents

Group	At 1 August 2020	Cash flows	Other changes	At 31 July 2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents	7,174	1,713	-	8,887
Total	<u>7,174</u>	<u>1,713</u>	<u>-</u>	<u>8,887</u>
College	At 1 August 2020	Cash flows	Other changes	At 31 July 2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents	6,519	1,839	-	8,358
Total	<u>6,519</u>	<u>1,839</u>	<u>-</u>	<u>8,358</u>

16 Capital commitments

	2021	2020
	Group & College £'000	Group & College £'000
Commitments contracted for at 31 July	<u>332</u>	<u>361</u>

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

	2021	2020
	Group & College	Group & College
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	20	20
Later than one year and not later than five years	-	20
later than five years	-	-
	<u>20</u>	<u>40</u>
Other		
Not later than one year	37	42
Later than one year and not later than five years	55	44
later than five years	-	-
	<u>92</u>	<u>86</u>
Total lease payments due	<u>92</u>	<u>86</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.

Total pension cost for the year	2021	2020
	£'000	£'000
Teachers Pension Scheme: contributions paid	700	653
Local Government Pension Scheme:		
Contributions paid	715	707
FRS 102 (28) charge	<u>777</u>	<u>460</u>
Charge to the Statement of Comprehensive Income	1,492	1,167
Enhanced pension charge to Statement of Comprehensive Income	-	-
Total Pension Cost for Year within staff costs	<u>2,192</u>	<u>1,820</u>

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

There were no outstanding contributions to the TPS at the end of the year (£76,639 at the start of the year) and no outstanding pension contributions to the LGPS (normal contributions) at the end of the year (£75,926 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.

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.

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (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 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 £957,568 (2020: £897,528). Employer contributions amounted to £700,189 (2020: £652,316) and employee contributions amounted to £257,379 (2020: £245,212).

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 2021 were £908,279 of which employer's contributions totalled £715,579 and employees' contributions totalled £192,700. The agreed contribution rates for future years are 17.3% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

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 2019 updated to 31 July 2021 by a qualified independent actuary.

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	2.0%	3.2%
Future pensions increases	2.6%	2.2%
Discount rate for scheme liabilities	1.7%	1.4%
Inflation assumption (CPI)	2.6%	2.2%
Pension accounts revaluation rate	2.6%	2.2%

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

	At 31 July 2021 years	At 31 July 2020 years
<i>Retiring today</i>		
Males	23.10	23.00
Females	25.50	25.50
<i>Retiring in 20 years</i>		
Males	24.80	24.70
Females	27.30	27.20

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 2021	Fair Value at 31 July 2020
	£'000	£'000
Equities	13,417	10,646
Bonds	3,962	4,026
Property	1,437	1,181
Cash	232	310
Other	4,125	3,194
Total market value of assets	<u>23,172</u>	<u>19,356</u>
Actual return on plan assets	<u>3,421</u>	<u>836</u>

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

	2021 £'000	2020 £'000
Fair value of plan assets	23,172	19,356
Present value of plan liabilities	(35,687)	(34,356)
Net pensions liability (Note 14)	<u>(12,515)</u>	<u>(15,000)</u>

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Current service cost	(1,493)	(1,160)
Past service cost	-	-
Total	<u>(1,493)</u>	<u>(1,160)</u>
Amounts included in investment income		
Net interest expense	205	175
	<u>205</u>	<u>175</u>

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	3,147	432
Experience gains arising on defined benefit obligations	320	(6,410)
Return on enhanced pension plan assets	14	(280)
Amount recognised in Other Comprehensive Income	<u>3,481</u>	<u>(6,258)</u>

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

	2021	2020
	£'000	£'000
Deficit in scheme at 1 August	(15,000)	(8,390)
Movement in year:		
Current service cost	(1,493)	(1,160)
Employer contributions	721	703
Curtailment cost	(5)	-
Net interest on the defined liability	(205)	(175)
Actuarial gain or loss	3,467	(5,978)
Net defined benefit liability at 31 July	<u>(12,515)</u>	<u>(15,000)</u>

Asset and Liability Reconciliation

	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	34,356	26,550
Current Service cost	1,493	1,160
Interest cost	479	579
Contributions by Scheme participants	193	186
Experience gains and losses on defined benefit obligations	(320)	6,410
Estimated benefits paid	(519)	(529)
Curtailment cost	5	-
Defined benefit obligations at end of period	<u>35,687</u>	<u>34,356</u>
Changes in fair value of plan assets		
Fair value of plan assets at start of period	19,356	18,160
Interest on plan assets	274	404
Return on plan assets	3,147	432
Employer contributions	721	703
Contributions by Scheme participants	193	186
Estimated benefits paid	(519)	(529)
Fair value of plan assets at end of period	<u>23,172</u>	<u>19,356</u>

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, appointed on 1 April 2021, is also an employee of Greenhouse Graphics Limited, an organisation with which the College conducted business to the value of £350 subsequent to their appointment.

The total expenses paid to or on behalf of the Governors during the year was £110; and related to one governor (2020: £736; 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 (2020: None).

The Principal is reimbursed for home broadband costs. The amount reimbursed during the year amounted to £455 (2020: £628).

21 Amounts disbursed as agent

Learner support funds

	2021	2020
	Group & College	Group & College
	£'000	£'000
Funding body grants - guaranteed bursary	19	28
	<u>19</u>	<u>28</u>
Disbursed to students	(16)	(18)
Balance unspent as at 31 July, included in creditors	<u>3</u>	<u>10</u>

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