

**THE BOURNEMOUTH & POOLE
COLLEGE**

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

THE BOURNEMOUTH AND POOLE COLLEGE

REPORTS and FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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Key Management Personnel, Board of the Corporation and Professional Advisers

Key management personnel

Key management personnel are defined as Senior Post Holders within the College Leadership Team and were represented by the following throughout 2022/23:

Mr P Sayles	Principal and CEO: Accounting Officer
Mr M Johnson	Chief Operating Officer
Mrs J Page	Vice Principal, Curriculum

Board of the Corporation

A full list of the Board of the Corporation is given in the Statement of Corporate Governance and Internal Control.

Mrs M Barnard acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial Statements auditor and reporting accountants:

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

Internal auditor:

TIAA Limited
Artillery House
Fort Fareham
Fareham
PO14 1AH

Bankers:

NatWest Bank
Bournemouth Branch
The Square
5 Old Christchurch Road
Bournemouth
Dorset
BH1 1DU

Solicitor:

Steele Raymond LLP
Bournemouth

Strategic Report

OBJECTIVES AND STRATEGY

The Board of the Corporation present their annual report together with the financial statements and auditor's report for Bournemouth and Poole College for the year ended 31 July 2023.

Legal Status

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting The Bournemouth & Poole College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The Bournemouth and Poole College Strategy 2020-2023: Transforming Futures

Our Purpose

The purpose that Bournemouth and Poole College exists, is to transform students' futures.

Our Vision

We have a vision for every student to have the best life they can.

Our Mission

Our mission is to champion lifelong learning to benefit individuals, the community and the economy.

Our Values

- A passion for learning and success
- Supportive and caring
- Respectful and considerate
- A champion for equality through learning
- Ambitious and tenacious

COVID-19

The impact of COVID-19 has been much less in the last year and the College has continued its strong recovery.

Resources

- The College group employs 597 people, of whom 239 are teaching staff.
- The College enrolled approximately 8909 students. The College's student population includes 2579 16-to-18-year-old funded students, 2183 apprentices, 201 higher education students, 139 international students and 3807 adult funded students; as well as full cost adult students.
- The College has £16m (2022: £16m) of net assets excluding £0m pension liability (2022: £14m) and long-term debt of £5m (2022 £5m).
- Tangible resources include the College's three sites.
- In January 2022, we had a full inspection from Ofsted which concluded that we are Good in all areas.

Stakeholders

The College has many stakeholders including:

- its current, future and past students
- its staff and their trade unions. The trade unions of which Bournemouth and Poole College staff are members are the University and College Unions, National Education Union and Unison
- the employers it works with
- the professional organisations in the sectors where it works
- its partner schools and universities
- the wider College community
- its local councils and Local Enterprise Partnership.

Strategic Report (continued)

Public Benefit

The Bournemouth & Poole College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Board of the Corporation, who are trustees of the charity, are disclosed on pages 20-21. In setting and reviewing the College's strategic objectives, the Board of the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 8909 students, including 180 students with high needs.

The College provides courses without charge to young people, to those who are unemployed and adults taking English and Maths courses. The College adjusts its courses to meet the needs of local employers and provides training to 2183 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial Results

	Year ended July 2023	Year ended July 2022
	£000	£000
Total Income	30,831	30,510
Profit on Disposal	11	-
Staff costs	(20,416)	(20,614)
Non staff costs	(10,404)	(10,425)
Operating Surplus/(Deficit)	22	(529)
FRS 102 pension charge (incl. in staff costs)	(451)	(4,212)
FRS 102 pension interest (incl. in Interest- Non-pay)	(449)	(741)
Share of surplus in Joint Venture <i>note 1</i>	-	27
(Deficit) for the year	(878)	(5,454)

Note 1 The joint venture ceased on 31 July 2022.

The Group generated a deficit before other gains and losses of £878k (2021/22: £5,454k). The increase in performance from the prior year was largely due to the FRS102 pension charge together with a net increase in income and reduction in staff costs.

We have significant reliance on the education sector funding bodies as our principal funding sources, largely from recurrent grants. In 2022/23 the funding bodies provided 75% of our total income (2021/22: 74%).

Financial Impact of Covid-19

In the previous two years, Covid had-19 had a significant impact on our international income and as a result, that team was significantly downsized during 2022/23.

Our income from adults (both Adult Education Budget funded and fee-paying adults) may have been affected in the year, but we largely regard the impact of Covid-19 as business as usual now.

Our expenditure reflects additional cleaning costs and the cost of heating rooms whilst windows were opened to provide fresh air circulation.

Strategic Report (continued)

Cashflows and liquidity

The cash inflow from operating activities was £2551k (2021/22: net outflow £8k). Total cash balances increased by £2,221k in year (21/22: decreased £1,150k). This increase in cash was mainly due to the receipt of over £1m in capital grants in advance of spend and the improvement of over £0.5m in the operating surplus. Cash at bank and in hand on 31 July 2023 was £7,004k (21/22: £4,783k).

Our improved cash position has enabled us to start increasing our own capital investment each year. We budgeted £1m in 22/23, £1.4m in 23/24 and £2m in 24/25.

Developments

During the year, we commenced a £1.1m project funded by the Office for Students to convert our STEM Centre on our Poole Campus into a Degree Centre.

We received Specialist Equipment Allocations for both of the T Levels we launched in September 2023 and were successful with two T Level bids for facilities projects for two T Levels starting in September 2024. The latter two projects (which total £2.1m, including £0.4m of matched funding from the College) will be carried out between January and September 2024.

The large-scale project at our Bournemouth Campus, funded by the Department for Education (DfE), continues. During the year we reached agreement with the Meyrick Estate, who operate covenants on our freehold land and buildings. Planning permission was granted and temporary, enabling works were completed. The contract between the DfE and Kier, the main contractor, has now been signed to enable the main project to proceed.

Reserves

The College group has accumulated reserves of £15,618k. Unlike previous years there was no LGPS deficit valuation in 2022-23. For prudence, the surplus valuation has not been reflected in the total reserves. The College wishes to continue to accumulate reserves and cash balances in order to create a contingency fund to meet future capital requirements.

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely recurrent grants. In 2022/23, ESFA provided 75% of the College's total income.

Group companies

The College has two subsidiary companies:

- Southern Educational Facilities Management Limited (SEFM) formerly Bournemouth & Poole College Services Limited started trading on 1st August 2019 having been dormant for a number of years. SEFM provides cleaning services to the College and the College reimburses SEFM at cost so no profits or losses accrue in the company.
- Southern Educational Professional Services Limited (SEPS) started trading in January 2020. The purpose of the company was to employ non-teaching staff that would traditionally have been employed by the College and in so doing be able to offer a NEST pension scheme with a lower employer contribution rate than the Dorset County Pension Scheme. SEPS provides the services of these staff to the College and the College reimburses SEPS at cost so no profits or losses accrue in the company.

The College had been involved in a Joint Venture company, Wessex Education Shared Services Limited (WESS) with Brockenhurst College for a number of years but in May 2021 the College wrote to the Executive Head of WESS to resign our position in the company and we ceased being a member on 31st July 2022.

Strategic Report (continued)

Streamlined Energy and Carbon Reporting

Greenhouse gas emissions and energy use data for the period 1 August 2022 to 31 July 2023:

Greenhouse gas emissions and energy use data for the period 01.08.2021 to 31.07.2022

Energy consumption used to calculate emissions (kWh)

Gas	2,359,345.00
Electricity	2,170,543.00
Transport Fuel	34,192.00
	4,564,080.00

Scope 1 emission in metric tonnes CO₂e

Gas Consumption	432.14
Owned Transport	18.62
	450.76

Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	460.87
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Scope 2 emissions in metric tonnes CO₂e

Business Travel	15.22
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Total gross emissions in metric tonnes CO₂e

926.85

Intensity Ratio

1.43

Tonnes CO₂e per member of staff (650)

The College has three main sites, all with their own gas-fueled boilers and electricity to purchase from the grid network. The College owns/leases ten petrol vehicles, nine diesel-powered mini-buses and has approximately 597 staff some of whom claim business mileage.

Quantification and Reporting Methodology

We have followed the ESFA Streamlined Energy and Carbon Reporting (SECR) 2021 Guidance. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per staff member; the recommended ratio for the sector.

Measures taken to improve energy efficiency

LED lighting has been installed in our public areas, and we continue the upgrade on a rolling programme, we are 60% complete and will be 90% by end of 2024. We have installed 200 PV panels and plan to install more PVs once some roof works are complete. Many of our buildings have been clad to improve thermal energy. The DfE has approved funding for the Grade 2 listed building on our Bournemouth Campus, to add roof insulation and upgrade M&E plant which will be completed in 2026. The DfE has also approved funding, and planning permission has been granted, for our Horsa Hut and poor condition buildings on the Bournemouth Campus to be replaced with a new contemporary building that should

Strategic Report (continued)

achieve net-zero status, and will be complete in 2026. We have consolidated areas/buildings to be able to 'mothball' underutilised space. We procure energy efficient IT including desktop PCs and server units and promote our cycle to work/college scheme. We have a car sharing scheme and will be launching a green travel plan in the next 6-mths.

Year on Year Comparison

Year	Intensity Ratio	Commentary
2019/20	1.28	This was our first and comparative baseline year. COVID lockdown restrictions began in February 2020, as a result access to facilities were limited, and transport, business mileage and utility consumption were reduced. The Intensity ratio is lower than subsequent years due to the highest number of FTE staff at 725.
2020/21	1.57	During this academic year staff and students spent a significant amount of time in lockdown until March 2021, when the third national lockdown was lifted. Although transport, mileage and utility consumption reduced the intensity ratio increased as the staff FTE dropped from 725 to 650.
2022/23	1.43	Intensity ratio reduced from previous year due to reduced transport and business mileage while the College return to normal operations following COVID, and Gas consumption was less. Staff FTE was static @ 650

Scope	Definition	Unit	Source Information	Total	GHG Factor 2021	TCO2e
1	Purchased gas	kWh	Verified invoices	2,359,345 kWh	0.18316	432.14
1	Diesel (College pool vehicles includes vans and minibuses)	Consumed litres	Monthly fuel receipts	7410 litres	2.51233	18.62
2	Purchased electricity	kWh	Verified invoices	2,170,543 kWh	0.21233 Gen 0.00899 T&D	460.87
3	Business mileage	Miles	MOTs	54261	0.28053	15.22
				Total tonnes	of CO2e	926.85

Strategic Report (continued)

Future developments

Our Strategic Plan 2020-2023: Transforming Futures is underpinned by a number of strategies, each of which has their own implementation plan and set of KPIs. Since January 2022, our new Principal and Chief Executive Officer has made some revisions for the Strategic Plan Key Strategies and simplified the reporting of our performance against each for the Board.

We achieved all of the top 5 priorities the Principal and Chief Executive Officer set last year:

- Get a Good Ofsted grade
- Recruit and progress more 16-18 year olds
- Enhance how we listen to and recruit staff
- DfE capital, and other projects to improve space, equipment and facilities further
- Build a secure and stable budget for 2022/23

The new, simplified reporting is a table that links the aims of the Strategic Plan to measurable KPIs.

The Key Strategies are

- Drive economic impact and skills
- Develop responsible, ambitious and active citizens
- Champion technical and lifelong learning through an outstanding reputation
- Sustained progress towards offering outstanding education
- Outstanding People and Culture

The Foundation Strategies are

- Maintaining strong Financial Health to support outstanding education
- Lean, agile and responsive systems
- A digital organization
- We will become a more sustainable organisation, putting green technology and practices at the heart of our curriculum and our operations.
- We will develop an outstanding college estate, and equip it, to deliver skills needed now and for the future.

Treasury policies and objectives

With regard to Financial Condition, detail in the Financial Regulations stipulates that:

The Principal shall not:

- Allow the College's financial health assessment to fall below *requires improvement*
- Spend funds that would exceed any approved overdraft facility
- Enter into any long-term borrowing arrangement
- Breach any loan covenants
- Deliver surpluses that are lower than agreed
- Allow the cash flow delivery to be lower than agreed.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College Group's reserves include £nil (2022: £nil) held as restricted reserves. As at the balance sheet date the Income and Expenditure reserve stands at £12,695k (2022: £12,654k), excluding pension reserves. It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

Strategic Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

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

A detailed risk register and a risk dashboard is maintained at College-level and is reviewed at each Audit Committee meeting and is then reported at the subsequent Board meeting. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Our risk register, at the end of 2022-23 identified the top six risks as:

- Staff changes in our Marketing and Business Development teams, result in fewer applications to our courses and apprenticeships
- Failure to maintain a robust Health and Safety Framework
- Significant changes we have made to our apprenticeship processes result in a significant shortfall in income
- College business is affected by staff vacancies because we are unable to attract to vacant posts
- Significant loss of data and disruption through a cyber attack
- The College fails to address issues identified in the recent staff survey (April 2022) and staff morale/satisfaction suffer, which in turns leads to staff retention and recruitment issues.

Financial plan

The College governors approved a financial plan in June 2023 which sets objectives for the period until 2025 and the numbers incorporated in this plan was submitted to the ESFA in the new College Financial Forecast Report alongside an accompanying commentary. In all three years of the plan the College will meet its bank loan covenant tests; the financial health grade for 2022/23 will be Good and the same for 2023/24 and 2024/25.

KEY PERFORMANCE INDICATORS

As stated above, the new, simplified reporting to Board is a table that links the Key and Foundation Strategies from the Strategic Plan, to the underpinning strategies (such as Marketing, Careers etc.) with the ten priorities and in-year, and annual KPIs. An example for the first Key Strategy is shown below.

A: Key Strategies	B: Sub-strategies & Headline tactics	C: KPIs In-Year monitoring (2022/23)
<p>2. Develop responsible, ambitious and active citizens</p> <p>High ambition and expert support for all our students will ensure each individual leaves us with strong people skills, resilience, confidence and an appreciation of, and care for, others.</p> <p>Students will have opportunities to learn different personal skills and develop interpersonal and work ready skills to drive forward their chosen career</p> <p>Board oversight committee: CQC Exec/SLT Lead: D Smith > L Perry/P Allner</p>	<p>Student Engagement and Support Strategy (new) EDI Strategy BPCSU Strategy</p> <p>Drawing from Curriculum strategy – intent and implementation</p> <p>Underpinning tactics and policies:- - PDT model (Personal Development) - Employability Skills model - Fitness to Study Policy - Student Attendance Policy - Safeguarding and Child Protection Policy - Managing Student Behaviour Policy - Our Voice Our College activity - Support 'Continuum of Need' model - Key Worker model - Sensory Support - Social Skills Coaching</p>	<p>Attendance to date: 88% all 77% English 75% Maths</p> <p>Current punctuality rate as at 06/08/2023 is 98%</p> <p>92% of students engage with termly student surveys vs. 90%+ target 92.6% of student have engaged overall in student surveys</p> <p>Achievement of vulnerable students is within 4% of their peers</p> <p>Ongoing monitoring in year for 22/23 focused on vulnerable student attendance.</p> <p>100% of annual EHCP reviews are completed within statutory timescales 100% of EHCP targets reviewed to date within statutory timescales</p>

Strategic Report (continued)

Student Achievements

Students continue to prosper at the College.

	22/23	21/22	20/21	19/20
16-18 year-olds	83.80%	81.00%	82.74%	85.97%
19+	87.30%	87.25%	83.54%	88.12%
Maths	69.60%	57.97%	50.66%	64.96%
English	78.50%	71.51%	70.59%	77.58%
Total	85.60%	83.63%	83.06%	86.75%

In January 2022, we had full inspection from Ofsted which concluded that we are Good in all areas.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2022 to 31 July 2023, the College paid 87 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Equality, Diversity and Inclusion

Our Equality, Diversity and Inclusion Policy is available on our website, and the key principles are set out below.

We champion equality and diversity which, for us, are about being pro-active, practical and positive. We promote equality because we believe it is the right thing to do and we value diversity because it makes the College a more creative place to learn and work.

Because we receive public funds, we are bound by the Equality Act 2010 and the Public Sector Equality Duty. This requires us, in all that we do, to have due regard to the need to:

- eliminate unlawful discrimination and harassment,
- advance equality of opportunity between people who share a protected characteristic and those who do not,
- foster good relations between people who share a protected characteristic and those who do not.

Our equality priorities are set to provide protection from discrimination or harassment on the basis of eight characteristics: age, race, gender, gender identity, religion/ belief, sexuality and disability, marriage and civil partnership and pregnancy, maternity and paternity.

Equality and diversity are managed by the Senior Leadership. There is an Equality, Diversity and Inclusion Group that researches and promotes best practice and helps to write the annual Equality Action Plan. Progress against the Plan is monitored by the Group and also by the Corporation. We also have six Equality Champions who help us to keep issues in the spotlight.

Our Policy sets out our approach to Equality, Diversity and Inclusion in the following areas:

- students and studying,
- staff and working,
- leadership and managing,
- local community and procurement,
- places and spaces - our environment.

Strategic Report (continued)

Gender pay gap reporting

	Year ending 31 March 2022
Mean gender pay gap	15.16%
Median gender pay gap	23.98%
Mean bonus gender pay gap	100%
Median gender bonus gap	100%
Proportion of males/females receiving a bonus	0.403%/0%

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

	Males	Females
1 - Lower quartile	38.03%	61.97%
2 – Lower middle	36.17%	63.83%
3 – Upper middle	45.39%	54.61%
4 – Upper quartile	41.13%	58.87%

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

Disability Statement

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

As part of the Estates Strategy, we complete Access Audits at the end of each stage. The results form the basis for future capital projects aimed at improving access. We also publish a Property Strategy Access and Inclusion Statement to achieve the objectives set down in The Equality Act 2010.

The College has an appointed staff member who provides information and 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 and a range of assistive technology is available in the Study Advice Centres.

We have a Student Admissions Policy and appeals against a decision not to offer a place are dealt with under the Complaints Policy.

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 learning support staff who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and / or disabilities.

Specialist programmes are described in College prospectuses and achievements and destinations are recorded and published in the standard College format.

Counselling and welfare services and the Complaints and Disciplinary Procedures are described in the College Student Handbook, which is issued to students at induction.

Strategic Report (continued)

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations in April 2017 require the College to publish information on facility time arrangements for Trades Unions Officials at the College.

Employees in your organisation

- 500 to 1,500 employees

Trade union representatives and full-time equivalents

- Trade union representatives: 4 (one representative only joined 25/01/2023)
- FTE trade union representatives: 3.8

Percentage of working hours spent on facility time

- 0% of working hours: 0 representatives
- 1 to 50% of working hours: 4 representatives
- 51 to 99% of working hours: 0 representatives
- 100% of working hours: 0 representatives

Total pay bill and facility time costs

- Total pay bill: ££20,127,224
- Total cost of facility time: £18,826
- Percentage of pay spent on facility time: 0.09%

Paid trade union activities

- Hours spent on paid facility time: 1362
- Hours spent on paid trade union activities: 778
- Percentage of total paid facility time hours spent on paid TU activities: 57.12%

GOING CONCERN

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.

The budget for 2023/24 assumes a surplus of £183k and the College expects a positive cashflow all year.

EVENTS AFTER THE REPORTING PERIOD

During the year the College continued to plan for a major reinvestment at Bournemouth Campus costing in excess of £40m. The contract for the works was signed by the Department for Education and Kier in November 2023

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:

David Ford

D Ford
Chair of Governors

Statement of Corporate Governance and Internal Control

Statement of Corporate Governance and Internal Control

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

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“The Code”); and
- Having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector.

We are committed to exhibiting best practice in all aspects of corporate governance and in particular we have adopted and complied with The Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Corporation, the College complies with all the provisions of The Code and it has complied throughout the year ended 31 July 2023. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 (and republished in 2019 and 2021), which it formally adopted on 1 October 2015.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The members of the Corporation, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission’s guidance on public benefit and that the required statements appear within our Strategic Report under the heading Objectives and Strategy.

The college was reclassified as being within Central government sector from 29 November 2022. Policies, procedures and approval processes were updated to ensure compliance with the new requirements following reclassification. The College has established systems and process to identify and handle any transactions for which DfE approval is now required.

The Corporation

Lists of members who served on the Corporation during the year and up to the date of signature of this report are set out on pages 20-21. 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, academic quality indicators and HR related matters, including health and safety and environmental issues.

In 2022/23 the Corporation operated a committee governance model. The requirement was for at least three Corporation meetings during the year and this was the case. Throughout the year the Corporation was supported in the conduct of its business by a number of committees, each of which has terms of reference that have been approved by the Corporation. These committees are Audit & Risk, Curriculum, Quality & Standards, Commercial, Finance & Resources, Remuneration, Search & Governance and Human Resources.

Full minutes of the Board, the Audit & Risk and the Search & Governance Committee meetings, except those deemed to be confidential by the Corporation, are available on the College’s website or from the Clerk to the Corporation at:

The Bournemouth and Poole College
North Road
Poole
BH14 0LS

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

Statement of Corporate Governance and Internal Control (continued)

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

Formal agendas, papers and reports are supplied to members in a timely manner, prior to Board and Committee meetings. Briefings are also provided on a regular basis and Board members participate in strategic planning events each year. The Corporation has overall responsibility for reviewing and approving the annual Financial Statements, taking assurance from the opinions of the Commercial, Finance & Resources Committee and the Audit & Risk Committee.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate. All members are non-executive volunteers and carry out their roles without receiving payment or personal financial benefit.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search & Governance Committee, consisting of four members of the Corporation including the Principal. The Committee 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 initially appointed for a 3-year term of office. This may be extended to two terms. Membership will only be extended beyond 6 years in exceptional circumstances.

There has been a focus on widening diversity of Independent Board Members over recent years, the Board has a good balance in terms of gender, age profile and Members from a range of business sectors. The increased diversity has resulted in Board Members generally being in full time employment, this ensures Board Members bring current and relevant experience, but can impact on attendance.

Governance Professional

The Board is supported by an experienced and efficient Director of Governance/Clerk to the Corporation. The Director of Governance has undertaken a number of development activities in the year to 31 July 2023, including attendance at relevant Eversheds briefing sessions, attendance at the AoC National Governors' Summit, the AoC Governance Professionals Annual Conference and at a number of AoC Regional Governance and Governance Professional events. In spring 2021 the Director of Governance successfully completed The Technical Aspects of being a Governance Professional - Intermediate level programme (accredited by the Institute of Leadership & Management).

Corporation Performance – SAR Statement

The Board has assessed that corporate governance is strong. Governance documents are reviewed annually to ensure compliance and accountability. Board Members use their wide-ranging skills to provide rigorous scrutiny and to contribute to and ratify the strategic direction of the College. They challenge management reports appropriately and ensure that risk management is carried out. The Board receives regular performance reports and monitors under-performing areas. Agreed performance targets are regularly monitored and Board Members are well informed about the financial health of the College.

Safeguarding training for Board Members, including Prevent training, is up to date and is regularly refreshed. Emphasis is placed on the promotion of Equality and Diversity throughout all aspects of the Corporation's business. Board Members have attended a broad range of training events during the year 1 August 2022-31 July 2023. The Chair of the Corporation and Vice Chair of the Corporation attended the AoC National Conference in November 2022. Chairs of the Audit & Risk and the Curriculum committees have attended specific AoC Chairs' network events.

Statement of Corporate Governance and Internal Control (continued)

Board Members also carry out learning walks and networking activities with College SLT members and other managers. At learning walks and other college events, Board Members have opportunities to speak to a range of students.

During 2022-23 Members have attended a range of events in College including The Annual Teachers' Conference, the Student Voice Conference and the Staff Leadership Conferences.

The Board annually reviews its own performance through group and individual self-assessment. Performance reviews of individual Members were carried out by the Chair during Summer 2023. The Chair's performance was reviewed by the Corporation on 29 June 2023. The Corporation assessed its overall performance on 14 December 2023 from which an Improvement Plan for 2023-24 has been developed. During 2020-21, following a self-referral, the Board had an External Governance Review in Spring 2021, this was completed as part of the ETF pilot. A report was received which included a number of recommendations which have now been completed – including the development and introduction of the new committee structure. The next External Governance Review will be completed in summer term 2024.

Remuneration Committee

The College adopted the Colleges' Senior Postholder Remuneration Code in 2019 and at that time some updates were made to the Committee's terms of reference to ensure compliance.

Throughout the year ending 31 July 2023 the College's Remuneration Committee comprised three members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior post-holders. Details of remuneration for the year ended 31 July 2023 are set out in note 8 to the financial statements.

Audit & Risk Committee

Throughout the year ending 31 July 2023 the Audit & Risk Committee comprised three members of the Corporation (excluding the Accounting Officer) plus one external co-opted member. The Committee operates in accordance with the written terms of reference approved by the Corporation.

The Audit & Risk Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers those reports from the main FE funding bodies that affect the College's business. The Audit & Risk Committee is responsible for reviewing the corporate statements within the draft annual Financial Statements before presentation to the Corporation, taking into consideration the opinion of the Commercial, Finance and Resources Committee on the reliability of the year-end accounts, the management letter from the External Audit and Regularity Audit, and that correct accounting treatments have been applied.

The College's internal auditors monitor 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 & Risk 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 & Risk Committee also advises the Corporation on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

Commercial, Finance and Resources Committee

The Commercial, Finance & Resources Committee consists of a minimum of four Board members, the Chief Operating Officer and the Director of Finance. The committee meets at least termly to more thoroughly review and monitor the College's management accounts on behalf of the Corporation. It also has a responsibility to review the draft annual Financial Statements each November and to give an opinion to the Audit & Risk Committee regarding the reliability of the year-end accounts, to give assurance that they are in line with expected outcomes based on the monthly management accounts.

Statement of Corporate Governance and Internal Control (continued)

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 Financial Memorandum between the College 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 designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2023 and up to the date of approval of the annual reports 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 Corporation
- regular reviews by the Commercial, Finance & Resources Committee and the Corporation, of periodic and annual financial reports which indicate financial performance against forecasts
- setting and monitoring targets to measure financial and other performance
- clearly defined capital investment control guidelines
- 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 Education and Skills Funding Agency'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 & Risk Committee. At a minimum annually, the Head of Internal Audit (HIA) provides the Corporation 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 of Corporate Governance and Internal Control (continued)

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
- comments made by the College's financial statements auditors and reporting accountant to regularity assurance.

The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit & Risk 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 that is in place.

The Senior Leadership 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 Leadership Team and the Audit & Risk Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit & Risk 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 Executive Team and the Audit & Risk Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 14 December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the Executive Team and internal audit, and taking account of events since 31 July 2023.

Based on the advice of the Audit & Risk 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"*

Responsibilities under funding agreements

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

Going Concern

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

The College had total loans of £5.09 million as at 31 July 2023. In October 2014 the College refinanced its previous loans into a new single loan with Natwest and also drew down a second loan to the value of £5.5 million to fund the on-going College Capital Investment Fund project, part funded by the Skills Funding Agency (now the ESFA). Of this, £1.9 million was repaid in September 2015 following the sale of the Lower Constitutional Hill site, with the remaining balance crystallising into a long-term loan. The financial results for the year ended 31 July 2023 are such that the College is compliant with the two covenants tests that operate on both loans.

The financial results for the year ended 31 July 2023 result in the College's financial health (as determined by the ESFA) being good. The cashflow and accompanying commentary we submitted to the ESFA within the College Financial Forecast Return at the end of July 2023, demonstrate the College remains in positive funds through until the end of August 2025.

Statement of Corporate Governance and Internal Control (continued)

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:

David Ford

D Ford
Chair of Governors

Phil Sayles
Phil Sayles (Dec 15, 2023 13:00 GMT)

P Sayles
Accounting Officer

MEMBERS OF THE CORPORATION

The members who served on the Corporation during the year 2022/23

<u>Name</u>	<u>Date of Appointment</u>	<u>Term of Office</u>	<u>Date of Resignation</u>	<u>Committees Served</u>	<u>Attendance in 2022/23*</u> Total number of meetings held in 2022/23 Board:4 Audit:3 CF&RC:5 CQ&SC:3 HR:3 Search & Governance:3 Remuneration:3
Mr David Ford	April 2015 Re-appointed April 2018 and April 2021	Until July 2024		Chair of the Corporation Member: CF&RC Member: Remuneration Member: HR	Board: 100% Search & Governance: 100% CF&RC: 100% Remuneration: 100% HR: 100%
Mrs Caroline Foster	September 2015 Re-appointed September 2018 and September 2021	Until July 2023	Resigned 15 December 2022	Vice Chair of the Corporation Member: Search & Governance Member: Remuneration Chair: CQ&SC Member: HR	Board: 100% Search & Governance: NA Remuneration: NA CQ&SC: 100% HR: 100%
Mr John Dale	October 2019 Re-appointed June 2022	3 years		Member: CF&RC	Board: 75% CF&RC: 100%
Mr Ian Jones	November 2019 Re-appointed June 2022	3 years		Member: Audit & Risk	Board: 75% Audit & Risk: 66%
Mrs Caron Khan	August 2020 Re-appointed July 2023	3 years		Member: CF&RC	Board: 50% CF&RC: 50%
Mr Dan Tout	July 2019 Re-appointed July 2022	3 years		Chair: Audit & Risk	Board: 100% Audit & Risk: 100%
Miss Sue Wellman	March 2018, re-appointed March 2021	3 years		Chair: Remuneration Member: CQ&SC Chair: Search & Governance Member: HR	Board: 50% Search & Governance: 100% Remuneration: 100% CQ&SC: 100% HR: 100%
Ms Sadie Wetherell	1 September 2021	3 years		Member: CQ&SC	Board: 50% CQ&SC: 100%

<u>Name</u>	<u>Date of Appointment</u>	<u>Term of Office</u>	<u>Date of Resignation</u>	<u>Committees served</u>	<u>Attendance in 2022/23*</u>
Ms Karen Loftus	1 September 2021	3 years	18 April 2023	Member: CF&RC	Board: 66% CF&RC: 33%
Dr Michael Fanner	1 October 2021	3 years	27 October 2023	Board Lead for Safeguarding & Prevent Member: CQ&SC	Board: 75% CQ&SC: 0%
Ms Saba Rubaei	1 November 2021	3 years		Member: Audit & Risk	Board: 50% Audit & Risk: 100%
Mr Michael Kennedy	14 February 2022	3 years		Chair: CF&RC	Board: 100% CF&RC: 100%
Ms.Helen Mason	16 December 2022	3 years		Chair:CQ&SC	Board:100% CQ&SC:100%
Mrs Sharon Jones	1 September 2023	3 years		Member: CQ&SC	NA
Mr Phil Sayles	1 January 2022	Principal		Member: Search & Governance	Board: 100% Search & Governance: 100%
Ms Brittany Chaplin	9 October 2021	2 years (Staff Member)	8 October 2023		Board: 75%
Mr Fran Bove	9 October 2023	2 years (Staff Member)			NA
Mr Liam Parry	September 2021 Re-appointed September 2022	1 academic year (Student Member)	31 July 2023		Board: 50%
Ms Amelia Surrey	September 2022	1 academic year (Student Member)	31 July 2023		Board: 75%
Mrs Neethu Stephen - Co-opted member of Audit & Risk Committee from 1 September 2020					Audit & Risk: 33%
Overall Attendance 2022/23 for Board and Committees*					Total: 82.12%

* It should be noted that Members also attended various College events, meetings and external AoC events during the year.

Statement of Regularity, Propriety and Compliance

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

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

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

Phil Sayles

Phil Sayles (Dec 15, 2023 13:00 GMT)

P Sayles
Accounting Officer

Date: 15/12/2023

Statement of the Chair of Governors

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

David Ford

D Ford
Chair of Governors

Date: 15/12/2023

Statement of Responsibilities of the Members of the Corporation

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

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate (which must be consistent with other disclosures in the accounts and auditor's reports)
- 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 strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including the legal and administrative status of the corporation.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial statements conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure, so that the benefits that should be derived from the application of public funds from ESFA and other bodies are not put at risk.

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:

David Ford

**D Ford
Chair of Governors**

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BOURNEMOUTH & POOLE COLLEGE

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BOURNEMOUTH & POOLE COLLEGE (continued)

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

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

- the College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of Bournemouth & Poole College

As explained more fully in the Statement of the Corporation Responsibilities set out on page 23, 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.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BOURNEMOUTH & POOLE COLLEGE (continued)

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

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

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

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

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

Audit response to risks identified

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BOURNEMOUTH & POOLE COLLEGE (continued)

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 10 November 2022. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Alliotts LLP
Alliotts LLP (Dec 15, 2023 13:41 GMT)

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

Date: 15/12/2023

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

In accordance with the terms of our engagement letter dated 10 November 2022 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Bournemouth and Poole College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Bournemouth and Poole College and the reporting accountant

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

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

Approach

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

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

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

Accordingly, we do not express a positive opinion.

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

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

The work undertaken to draw our conclusion is 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.

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

Conclusion

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

Use of our report

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

Alliotts LLP
Alliotts LLP (Dec 15, 2023 13:41 GMT)

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

Date 15/12/2023

**THE BOURNEMOUTH AND POOLE COLLEGE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023**

		Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
	Notes				
INCOME					
Funding body grants	2	23,069	23,069	22,650	22,650
Tuition fees and education contracts	3	6,005	6,005	5,999	5,999
Other grants and contracts	4	239	239	361	352
Other income	5	1,495	1,494	1,492	1,489
Endowment and investment income	6	23	23	8	8
Total income		<u>30,831</u>	<u>30,830</u>	<u>30,510</u>	<u>30,498</u>
EXPENDITURE					
Staff costs	8	20,867	20,383	24,826	24,323
Other operating expenses	9	7,835	8,317	8,158	8,648
Depreciation	15	2,304	2,304	2,156	2,156
Interest and other finance costs	12	714	714	852	852
Total expenditure		<u>31,720</u>	<u>31,718</u>	<u>35,992</u>	<u>35,979</u>
Deficit before other gains and losses		(889)	(888)	(5,481)	(5,481)
Profit on disposal of assets		11	11	-	-
Share of operating deficit in joint venture		-	-	27	-
(Deficit) before tax		<u>(878)</u>	<u>(877)</u>	<u>(5,454)</u>	<u>(5,481)</u>
Taxation	13	-	-	-	-
Deficit for the year	14	<u>(878)</u>	<u>(877)</u>	<u>(5,454)</u>	<u>(5,481)</u>
Actuarial gain in respect of pension schemes	25	14,811	14,811	36,908	36,908
Share of Joint Venture's actuarial gain in respect of pension schemes		-	-	1,842	-
Total Comprehensive Income for the year		<u>13,933</u>	<u>13,934</u>	<u>33,296</u>	<u>31,427</u>
Represented by:					
Unrestricted comprehensive income		13,933	13,934	33,296	31,427
		<u>13,933</u>	<u>13,934</u>	<u>33,296</u>	<u>31,427</u>
Deficit for the year attributable to:					
Non-controlling interest		-	-	-	-
Group		<u>(878)</u>	<u>(877)</u>	<u>(5,454)</u>	<u>(5,481)</u>
Total Comprehensive Income for the year attributable to:					
Non controlling interest		-	-	-	-
Group		<u>13,933</u>	<u>13,934</u>	<u>33,296</u>	<u>31,427</u>

All items of Income and Expenditure relate to continuing activities

**THE BOURNEMOUTH AND POOLE COLLEGE
CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES**

	Income and Expenditure account	Revaluation reserve	Total excluding Non controlling interest
	Unrestricted £'000	£'000	£'000
Group			
Balance at 1st August 2021	(34,573)	2,961	(31,612)
Balance at 1st August 2021 as restated	(34,573)	2,961	(31,612)
Surplus/(deficit) from the income and expenditure account	(5,454)	-	(5,454)
Other comprehensive income	38,750	-	38,750
Transfers between revaluation and income and expenditure reserves	19	(19)	-
Total comprehensive income for the year	33,315	(19)	33,296
Balance at 31st July 2022	(1,258)	2,942	1,684
Surplus/(deficit) from the income and expenditure account	(878)	-	(878)
Other comprehensive income	14,811	-	14,811
Transfers between revaluation and income and expenditure reserves	19	(19)	-
Total comprehensive income for the year	13,952	(19)	13,933
Balance at 31st July 2023	12,694	2,923	15,617
College			
Balance at 1st August 2021	(32,703)	2,961	(29,742)
Balance at 1st August 2021 as restated	(32,703)	2,961	(29,742)
Surplus/(deficit) from the income and expenditure account	(5,481)	-	(5,481)
Other comprehensive income	36,908	-	36,908
Transfers between revaluation and income and expenditure reserves	19	(19)	-
Total comprehensive income for the year	31,446	(19)	31,427
Balance at 31st July 2022	(1,257)	2,942	1,685
Surplus/(deficit) from the income and expenditure account	(877)	-	(877)
Other comprehensive income	14,811	-	14,811
Transfers between revaluation and income and expenditure reserves	19	(19)	-
Total comprehensive income for the year	13,953	(19)	13,934
Balance at 31st July 2023	12,696	2,923	15,619

**THE BOURNEMOUTH AND POOLE COLLEGE
BALANCE SHEETS AS AT 31 JULY 2023**

	Notes	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Fixed assets					
Tangible assets - Property & Equipment	15	26,978	26,978	27,504	27,504
Tangible assets - Heritage assets	16	316	316	399	399
Total fixed assets		27,294	27,294	27,903	27,903
Current assets					
Stock		13	13	13	13
Trade and other receivables	17	1,258	1,258	1,567	1,567
Cash and cash equivalents	24	7,004	6,944	4,783	4,749
Total current assets		8,275	8,215	6,363	6,328
Creditors: amounts falling due within one year	18	(5,818)	(5,756)	(5,221)	(5,184)
Net current assets		2,457	2,459	1,142	1,144
Total assets less current liabilities		29,751	29,752	29,045	29,047
Creditors: amounts falling due after more than one year	19	(13,403)	(13,403)	(12,970)	(12,970)
Provisions					
Investment in joint venture	28	-	-	-	-
Defined benefit obligations	21	(280)	(280)	(330)	(330)
Other provision	21	(450)	(450)	(150)	(150)
Net assets excluding pension liability		15,618	15,619	15,595	15,597
Net pension liability	21	-	-	(13,911)	(13,911)
NET ASSETS INCLUDING PENSION LIABILITY		15,618	15,619	1,683	1,685
Income and expenditure account excluding pension reserve		12,695	12,696	12,654	12,655
Pension reserve		-	-	(13,911)	(13,911)
Income and expenditure account including pension reserve		12,695	12,696	(1,258)	(1,257)
Revaluation reserve	23	2,923	2,923	2,942	2,942
Total unrestricted reserves		15,618	15,619	1,684	1,685
TOTAL		15,618	15,619	1,684	1,685

The financial statements on pages 30 to 58 were approved and authorised for issue by the corporation on 14 December 2023 and were signed on its behalf that date by

David Ford

D.Ford
Chair of Governors

Phil Sayles
Phil Sayles (Dec 15, 2023 13:00 GMT)

P.Sayles
Accounting Officer

**THE BOURNEMOUTH AND POOLE COLLEGE
CONSOLIDATED STATEMENT OF CASHFLOWS**

	Notes	2023 £'000	2022 £'000
Cash inflow from operating activities			
Deficit for the year		(878)	(5,454)
Adjustment for non cash items			
Depreciation		2,304	2,156
Release of government capital grants		(948)	(918)
(Increase) in stocks		-	(4)
Decrease/(increase) in debtors		309	(18)
Increase/(decrease) in creditors due within one year		383	(722)
Increase in creditors due after one year		-	-
Increase/(decrease) in provisions		279	(48)
Pensions costs less contributions payable		422	4,183
Share of operating deficit in joint venture		-	(27)
Adjustment for investing or financing activities			
Investment income		(23)	(8)
Interest payable		265	111
FRS 102 pension finance costs		449	741
(Profit) on sale of fixed assets		(11)	0
Net cash flow from operating activities		<u>2,551</u>	<u>(8)</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		94	-
Investment income		23	8
Receipt of government capital grant		1,898	504
Payments made to acquire fixed assets		(1,778)	(1,242)
		<u>237</u>	<u>(730)</u>
Cash flows from financing activities			
Interest paid		(265)	(111)
New secured loans		-	-
Repayments of amounts borrowed		(302)	(302)
Capital element of finance lease rental payments		-	-
		<u>(567)</u>	<u>(413)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>2,221</u>	<u>(1,150)</u>
Cash and cash equivalents at beginning of the year	24	4,783	5,933
Cash and cash equivalents at end of the year	24	7,004	4,783
Increase/(Decrease)		<u>2,221</u>	<u>(1,150)</u>
		-	-

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice:

Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023 and Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Going concern

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

The College had total loans of £5.09 million as at 31 July 2023 (2022: £5.39million) and operates within requirements of the bank covenants.

The budget for 2023/24 assumes a surplus of £183k and the College expects a positive cashflow all year.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Basis of Consolidation

The consolidated financial statements include the College and its subsidiary undertakings, Southern Educational Facilities Management Limited and Southern Educational Professional Services Limited using acquisition accounting. Intra-Group sales, balances and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2023. Southern Educational Facilities Management Limited was incorporated 24 May 2019 and Southern Educational Professional Services Limited was incorporated 15 July 2019. The investment in the subsidiary is held at nil value in the College's accounts.

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 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year. The recurrent grant from Office for Students 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 recognized as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee income

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

Investment income

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

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds. 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.

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

Retirement benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) which are multi-employer defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

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 Government actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the Statement of Comprehensive Income as they are paid each year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals.

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 other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised 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 and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Tangible Fixed Assets

Land and Buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at deemed cost. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life of up to 50 years. Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease.

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

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. Finance set-up costs directly attributable to freehold developments are capitalised up to the date of completion of the project. Buildings are not depreciated until they are brought into use. Depreciation in the first year of use is charged from the month the building comes into use.

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.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of inherited land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in the future. Where significant expenditure is incurred on existing buildings, it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

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

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

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

Motor vehicles and general equipment	5 years
Computer equipment	3 years

Depreciation in the first year of use is charged in full. Fully depreciated items are removed from the balance sheet on an annual basis.

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

Heritage Assets

Where an asset is deemed to have historic, artistic, scientific, technological, geophysical, or environmental qualities, and is held principally for its contribution to knowledge and culture it is classified as a heritage asset. The College has a collection of artwork, consisting of sculptures and paintings, collected over the years for their educational value to art students in particular, but also to all vocational students and to the community as a whole.

Acquisitions are made by purchase or donation. Purchases are initially recorded at cost and donations are recorded at market value for insurance purposes ascertained by the College at the time of the donation.

Heritage assets which were acquired on incorporation for no consideration, and pieces of artwork acquired after that date and prior to 31 July 2010, were brought into the accounts during the year ended 31st July 2010 via a prior year adjustment, at their market value for insurance purposes, or at the most reliable valuation available for each piece. The comparatives were restated to reflect the increase to their 2010 value for insurance purposes, with the surplus on revaluation being reported in the Statement of Comprehensive income, and within the revaluation reserve.

The collection of artwork is deemed to have an indeterminate life and a high residual value: hence the Trustees do not consider it appropriate to charge depreciation.

Preservation costs – expenditure which, in the Trustees' view, is required to preserve individual pieces of artwork is recognised in the Income and Expenditure account when it is incurred.

Further information on the collection is given in Notes 16 in the accounts.

Borrowing costs

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

Leased assets

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.

Stocks

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

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

Cash and cash equivalents

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

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

Financial liabilities and equity

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

All loans, investments and short-term deposits held by the Group 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 Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost.

Loans and investments that are payable or receivable within one year are not discounted.

Taxation

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

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

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

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

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.

Endowment Funds

Funds are held by the Community Foundation for Bournemouth Dorset and Poole (Charity no 1122113) on behalf of the Group and College. Income from these funds is controlled by the Group and College and expended in accordance with the relevant trust deed. The Group and College have no legal title to the capital sums.

Jointly controlled entities

Undertakings in which the Group has a long-term interest and shares control under a contractual arrangement are defined as jointly controlled entities. Jointly controlled entities are accounted for under the gross equity method.

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, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- *Local Government Pension Scheme*. The present value of the Local Government Pension Scheme defined benefit asset 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 25, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions asset at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.
- *Provisions*. The college has withdrawn from its joint venture in WESS, in doing so this has created a construction obligation. Costs directly relating to the restructuring have been provided for based on the anticipated necessary structural changes following this withdrawal costed utilising quotes and the knowledge of management.

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

2. FUNDING BODY GRANTS

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Recurrent grant				
ESFA - Adult	2,633	2,633	2,599	2,599
ESFA - 16-18	14,151	14,151	13,131	13,131
ESFA - Apprenticeships	4,053	4,053	4,115	4,115
Office for Students	189	189	172	172
Specific Grants				
ESFA - 16-19 Tuition Fund	105	105	482	482
ESFA - Strategic Development Fund	150	150	-	-
ESFA - Capital Grant	-	-	507	507
ESFA - 16-18	175	175	141	141
Teacher Pension Scheme contribution grant	665	665	586	586
Release of deferred capital grant	948	948	918	918
TOTAL	<u>23,069</u>	<u>23,069</u>	<u>22,650</u>	<u>22,650</u>

3. TUITION FEES AND EDUCATION CONTRACTS

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Adult education fees	926	926	904	904
Apprenticeship fees and contracts	3,159	3,159	3,074	3,074
Fees for FE loan supported courses	447	447	443	443
Fees for HE loan supported courses	566	566	643	643
International students fees	227	227	215	215
Education contracts*	680	680	719	719
TOTAL	<u>6,005</u>	<u>6,005</u>	<u>5,999</u>	<u>5,999</u>

3a TOTAL GRANT AND FEE INCOME

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Grant income from the OfS	189	189	172	172
Grant income from other bodies	22,880	22,880	22,478	22,478
Total grants	<u>23,069</u>	<u>23,069</u>	<u>22,650</u>	<u>22,650</u>
Fee income for taught awards (exclusive of VAT)	690	690	744	744
Fee income for research awards (exclusive of VAT)	-	-	-	-
Fee income from non-qualifying courses (exclusive of VAT)	5,315	5,315	5,255	5,255
Total tuition fees and education contracts	<u>6,005</u>	<u>6,005</u>	<u>5,999</u>	<u>5,999</u>
TOTAL	<u>29,074</u>	<u>29,074</u>	<u>28,649</u>	<u>28,649</u>

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

4. OTHER GRANTS AND CONTRACTS

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Other grant income	239	239	331	331
Coronavirus Job Retention Scheme grant	-	-	30	22
TOTAL	239	239	361	352

5. OTHER INCOME

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Cafeterias	592	592	586	586
Other income generating activities (Sales of books, equipment and materials)	235	234	244	241
Miscellaneous income	668	668	662	662
TOTAL	1,495	1,494	1,492	1,489

6. ENDOWMENT AND INVESTMENT INCOME

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Endowment fund grant income	-	-	8	8
Income from investments	23	23	-	-
TOTAL	23	23	8	8

Investment income includes interest from a short-term bank deposit of £2,000k.

An Endowment fund was set up during 2013-14, as an Arts Prize Fund, using proceeds from the sale of artwork during the year ended July 2013. This fund is also held by the Community Foundation for Bournemouth Dorset and Poole. Income to the Arts Prize Fund during the year under review was £8k

7. DONATIONS

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Unrestricted donations	-	-	-	-
TOTAL	-	-	-	-

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

8. STAFF COSTS

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

	Group 2023	College 2023	Group 2022	College 2022
Average staff numbers by headcount:				
Teaching staff	239	238	254	254
Non-teaching staff	358	249	375	315
TOTAL	597	487	629	569

	Group 2023	College 2023	Group 2022	College 2022
Average staff numbers by full time equivalent staff (FTE)				
Teaching staff	211	211	222	222
Non-teaching staff	285	201	300	252
TOTAL	496	411	522	474

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Staff costs for the above persons:				
Wages and salaries	15,399	13,394	15,247	14,233
Social security costs	1,458	1,316	1,433	1,357
Other pension costs	3,524	3,470	7,370	7,335
Payroll sub-total	20,381	18,180	24,050	22,926
Contracted out staffing services	436	2,154	714	1,335
	20,817	20,333	24,763	24,260
Exceptional past service pension gain				
Fundamental restructuring costs-				
contractual	50	50	63	63
non-contractual	-	-	-	-
Total	20,867	20,383	24,826	24,323

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

8. STAFF COSTS - GROUP AND COLLEGE (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Executive Team which comprises the Principal, Chief Operating Officer and Vice Principal.

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

	Group & College 2023 No.	Group & College 2022 No.
The number of key management personnel including the Accounting Officer was:	4	3

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

	Key Management Personnel		Other Staff	
	Group & College 2023 No.	Group & College 2022 No.	Group & College 2023 No.	Group & College 2022 No.
£60,001 to £65,000	-	-	1	1
£65,001 to £70,000	-	-	-	1
£70,001 to £75,000	1	-	-	-
£90,001 to £95,000	-	2	-	-
£95,001 to £100,000	2	-	-	-
£135,001 to £140,000	-	1	-	-
£150,001 to £155,000	1	-	-	-
	<u>4</u>	<u>3</u>	<u>1</u>	<u>2</u>

A member of staff under Key Management Personnel above, took up their full-time post part-way through the year and the banding reflects the equivalent full year salary.

	2023 £'000	2022 £'000
Salaries	393	326
Relocation	8	-
National Insurance	88	69
Pension contributions	88	69
Total key management personnel compensation	<u>489</u>	<u>395</u>

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

8 STAFF COSTS (continued)

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

	Group & College 2023 £'000	Group & College 2022 £'000
Salary	144	140
Paid leave entitlement	-	2
Relocation	8	-
Pension contributions	34	30
TOTAL	186	172

The Board of the Corporation adopted the AoC Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles. The remuneration package of Senior Post Holders is subject to annual review by the Remuneration Committee, who use benchmarking information to provide objective guidance. The Principal and Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of his performance against the college's overall objectives using both qualitative and quantitative measures of performance. The Remuneration Committee complies with The Colleges' Senior Post Holder Remuneration Code published by the AoC. Detailed salary benchmarking information regarding the remuneration of Senior Post Holders is considered from the College Senior Pay survey and annual summary report.

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

	2023 £'000	2022 £'000
Principal's basic salary as a multiple of the median of all staff	5.4	5.4
Principal and CEO's total remuneration as a multiple of the median of all staff	5.8	5.6

The median salary of staff was calculated based on FTE pay for all staff on payroll as at 31 July 2023.

There was no compensation paid for loss of office to former key management personnel.

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

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

0 - £25,000	7
£25,001 - £50,000	-
£50,001- £100,000	-
£100,001 - £150,000	-
£150,000+	-

Included in staff restructuring costs are four special severance payments totalling £25k. Individually the payments were £1k, £5k, £8k and £11k.

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

9. OTHER OPERATING EXPENSES

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Teaching costs	4,382	4,382	3,873	3,873
Non-teaching costs	1,679	1,679	2,054	2,055
Premises costs	1,774	2,256	2,230	2,720
TOTAL	7,835	8,317	8,158	8,648

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Other operating expenses include:				
Auditors' remuneration:				
Financial statements audit	36	36	36	36
Internal audit	10	10	5	5
Other services provided by the financial statement auditor	7	7	-	-
Profit on disposal of non-current assets	11	11	-	-
Depreciation	2,304	2,304	2,156	2,156
Hire of plant and machinery - operating leases	90	90	84	84

10. ACCESS & PARTICIPATION EXPENDITURE

Access and Participation application plan for Bournemouth and Poole College can be found by following this link.

[TheBournemouthAndPooleCollege APP 2020-21 V1 10000820.pdf \(thecollege.co.uk\)](#)

The Access and Participation expenses detailed below include estimated staff costs. These staff costs are included in the staffing note 8.

During the year the following costs relate to Access & Participation:

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Access investment	83	83	82	82
Financial support	11	11	24	24
Research and evaluation.	15	15	14	14
	109	109	120	120

11. WRITE OFFS, LOSSES, GUARANTEES, LETTERS OF COMFORT, COMPENSATION PAYMENTS

The total value of the debts written off during the year was £141k and no individual writes off's being in excess of £5k

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

12. INTEREST AND OTHER FINANCE COSTS

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
On bank loans, overdrafts and other loans:	265	265	111	111
Net interest on defined pension liability (note 25)	449	449	741	741
TOTAL	714	714	852	852

13. TAXATION

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
United Kingdom corporation tax	-	-	-	-

The members do not believe that the Group or College was liable for any corporation tax arising out of its activities during either year.

14. (DEFICIT) ON CONTINUING OPERATIONS FOR THE YEAR

The deficit on continuing operations is made up as follows:

	2023 £'000	2022 £'000
College's (deficit) for the year	(877)	(5,481)
	(877)	(5,481)

The College owns 100% of the issued ordinary £1 shares of Southern Educational Facilities Management Limited and Southern Educational Professional Services Limited, companies incorporated in England and Wales.

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

15. TANGIBLE FIXED ASSETS (GROUP AND COLLEGE)

	Land and Buildings		Equipment	TOTAL
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	43,456	1,992	12,395	57,843
Additions	506	-	1,272	1,778
Disposals	-	-	(5,647)	(5,647)
At 31 July 2023	43,962	1,992	8,020	53,974
Depreciation				
At 1 August 2022	17,575	1,955	10,809	30,339
Charge for the year	1,103	1	1,200	2,304
Eliminated on disposals	-	-	(5,647)	(5,647)
At 31 July 2023	18,678	1,957	6,362	26,997
Net book value				
At 31 July 2023	25,284	35	1,658	26,978
Net book value				
At 1 August 2022	25,881	37	1,586	27,504

Inherited land and buildings were valued at open market value for existing use on 3 February 1993 at an amount of £6,985,000. They were acquired at incorporation at nil cost.

16. TANGIBLE FIXED ASSETS - HERITAGE ASSETS (GROUP AND COLLEGE)

	Sculptures	Paintings & Other	TOTAL
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2022	383	16	399
Disposals	(80)	(3)	(83)
At 31 July 2023	303	13	316

A market valuation of the artwork acquired by the College on incorporation for no consideration was carried out for insurance purposes by Hazlitt Holland-Hibbert in September 2010. The artwork is disclosed on the balance sheet at 31 July 2017 and 31 July 2018 at the September 2010 valuation for insurance purposes.

THE BOURNEMOUTH AND POOLE COLLEGE**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)****17. DEBTORS**

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Amounts Falling Due Within One Year				
Trade debtors	251	251	350	350
Amount due from subsidiary undertakings	-	-	-	-
Amount due from associate undertaking	-	-	41	41
Prepayments and accrued income	689	689	616	616
Amounts owed by the ESFA	318	318	560	560
	<u>1,258</u>	<u>1,258</u>	<u>1,567</u>	<u>1,567</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	302	302	302	302
Trade payables	561	561	318	318
Amounts due to subsidiary undertakings	-	26	-	18
Pension scheme contributions	342	328	314	306
Other taxation and social security	352	311	351	327
Payments received in advance	892	892	635	635
Deferred income- government capital grants	1,077	1,077	863	863
Amounts owed to the ESFA	396	396	393	393
Accruals	1,897	1,863	2,045	2,022
	<u>5,818</u>	<u>5,756</u>	<u>5,221</u>	<u>5,184</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Bank loans	4,786	4,786	5,088	5,088
Deferred capital grants	8,617	8,617	7,882	7,882
	<u>13,403</u>	<u>13,403</u>	<u>12,970</u>	<u>12,970</u>

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

20. MATURITY OF DEBT

(a) Bank loans and overdrafts

The bank loans are repayable as follows:

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
In one year or less	302	302	302	302
Between one and two years	302	302	302	302
Between two and five years	1,208	1,208	1,208	1,208
In five years or more	3,276	3,276	3,578	3,578
	<u>5,088</u>	<u>5,088</u>	<u>5,390</u>	<u>5,390</u>

The college has loans used to fund the college capital investment. The loans are secured on the college's land and buildings. One bank loan is repayable by instalments falling between 29/02/2016 and 27/11/2040. The other loan is repayable by instalments falling due between Dec 2015 and Sept 2040.

Until February 2022 interest was payable on this loan at 1.5% above LIBOR.

From February 2022 interest is chargeable on these loans by the calculation of the Risk-Free Rate which calculates the sum of the Margin of 1.5% plus the Credit Adjustment Spread percentage which fluctuates daily.

The interest is calculated daily and then charged against the loan quarterly.

(b) Finance leases

The net finance lease obligations to which the institution is committed are:

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Finance lease obligations are secured on the assets to which they relate.

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

21. PROVISIONS FOR LIABILITIES AND CHARGES

	Group & College	Group & College	Group & College	Group & College
	Defined Benefit Obligations	Enhanced Pension Provision	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2022	(13911)	330	150	480
Additions in year	-	-	300	300
Expenditure in the year	-	(29)	-	(29)
Transferred to income and expenditure account	13911	(21)	-	(21)
At 31 July 2023	-	280	450	730

The Enhanced Pension Provision relates to the ongoing cost for staff who have left the College. It is calculated in accordance with guidance issued by the funding bodies.

In May 2021 the Corporation approved a recommendation that the College exits the shared services joint venture arrangement it has operated for a number of years with Brockenhurst College. During 2021/22 the various services provided by Wessex Educational Shared Services Limited (WESS) transferred back to the College group. This withdrawal from WESS may yet trigger liabilities which are as yet unknown and the provision of £150k has been retained.

Included in Other Provisions is a provision of £300k for dilapidations charge for the leased property Redlands which was used to house the previous joint venture company.

22. LEASE OBLIGATIONS

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

	Group & College 2023 £'000	Group & College 2022 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<hr/>	<hr/>
	-	-
Other		
Not later than one year	50	84
Later than one year and not later than five years	13	62
later than five years	-	-
	<hr/>	<hr/>
	63	146
	<hr/>	<hr/>

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

23. REVALUATION RESERVE

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
At beginning of year	2,942	2,942	2,961	2,961
Transfer from revaluation reserve to general reserve in respect of:				
Disposal of revalued land & buildings	-	-	-	-
Depreciation on revalued assets	(19)	(19)	(19)	(19)
At 31 July	<u>2,923</u>	<u>2,923</u>	<u>2,942</u>	<u>2,942</u>

24. CASH AND CASH EQUIVALENTS

Group:	1 August 2022	Cashflows	31 July 2023
Cash at bank and in hand	4,783	2,221	7,004
College:	1 August 2022	Cashflows	31 July 2023
Cash at bank and in hand	4,749	2,195	6,944

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

25. DEFINED BENEFIT OBLIGATIONS

The College Group's employees belong to three principal post-employment benefit plans:

1. Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, this is a multi-employer defined-benefit plan.
2. Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset County Council and is a multi-employer defined-benefit plan.
3. NEST - for non-teaching staff commencing employment with Southern Educational Facilities Management Limited and Southern Educational Professional Services Limited. This is a government-run defined contribution plan. Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Total Group pension cost for the year

	2023	2022
	£'000	£'000
Teachers Pension Scheme contribution paid	1,653	1,633
Local Government Pension Scheme:		
Contributions paid	1,387	1,539
FRS 102 (28) adjustment	451	4,212
Charge to the Statement of Comprehensive Income	1,838	5,751
NEST Scheme:Contributions paid	54	35
Enhanced pension charge to Statement of Comprehensive Income	(21)	(48)
Total Group pension cost for year within staff costs	3,524	7,371

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates. The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return. The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (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 2018/9). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. The pension costs paid to TPS in the year amounted to £2,220k (2022: £2,229k).

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

25. DEFINED BENEFIT OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Dorset Local Authority. The total contribution made for the year ended 31 July 2023 was £1,508k, of which employer's contributions totalled £1,147k and employees' contributions totalled £361k. The agreed contribution rates for future years for employers are set out below and for employees are from 5.5% to 12.5%, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	2.85%	2.75%
Future pension increases	2.85%	2.75%
Discount rate for scheme liabilities	5.15%	3.40%
Inflation assumption (CPI)	2.85%	2.75%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 July 2023	At 31 July 2022
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.9	24.2
<i>Retiring in 20 years</i>		
Males	23.1	23.4
Females	25.3	25.6

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

25 DEFINED BENEFIT OBLIGATIONS (continued)

The College's estimated share of assets and liabilities in the scheme and the expected rates of return were:

	Value at 31 July 2023 £'000	Value at 31 July 2022 £'000
Equities	35,923	30,960
Liability driven investment	-	6,358
Other Bonds	3,760	2,808
Other Assets	12,312	10,617
Property	4,993	5,856
Cash	840	749
Total market value of assets	<u>57,828</u>	<u>57,348</u>

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

	2023 £'000	2022 £'000
Fair value of plan assets	57,828	57,348
Present value of plan liabilities	(56,309)	(71,259)
Net pension asset/(liability)	<u>1,519</u>	<u>(13,911)</u>

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost and administration expenses	1,881	5,751
Past service costs	10	-
	<u>1,891</u>	<u>5,751</u>

	2023 £'000	2022 £'000
Amounts included in Interest and other finance charges		
Net interest cost	449	741
	<u>449</u>	<u>741</u>

Amounts recognised in Other Comprehensive Income

	2023 £'000	2022 £'000
Return on pension plan assets	(880)	(1,594)
Other actuarial gains	27	-
Changes in assumptions underlying the present value of plan liabilities	23,497	38,775
Experience (loss) on defined benefit obligation	(6,314)	(273)
Adjustment to reflect asset to zero	(1,519)	-
Amounts recognised in Other Comprehensive Income	<u>14,811</u>	<u>36,908</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

25 DEFINED BENEFIT OBLIGATIONS (continued)

The actuarial report for the local government pension scheme at 31 July 2023 shows an actuarial gain which has resulted in a pension asset at the same date. We have not recognised the pension asset as a positive but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

An asset should only be recognised to the extent that the College is able to recover the surplus either through reduced contributions in the future or refunds from the plan. We have made further disclosure in the Strategic Report and in the note on judgements to adequately reflect this.

Movement in net defined benefit asset/(liability) during the year	2023	2022
	£'000	£'000
Deficit in scheme at 1 August	(13,911)	(45,866)
Movement in the year:		
Current service cost	(1,833)	(3,695)
Administrative expenses	(38)	(39)
Employer contributions	1,430	1,539
Past service gain	(10)	-
Net interest on the defined (liability)	(449)	(741)
Changes in demographic assumptions	867	3,584
Curtailments and settlements	-	(2,017)
Actuarial gain	15,463	33,324
Net defined benefit asset/(liability) at 31 July	<u>1,519</u>	<u>(13,911)</u>

Asset and Liability Reconciliation	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at the start of period	71,259	99,948
Current service cost	1,833	3,695
Interest cost	2,389	1,634
Employee contributions	362	397
Liabilities assumed on settlements	-	5,942
Changes in financial assumptions	(22,630)	(35,191)
Changes in demographic assumptions	(867)	(3,584)
Experience loss on defined benefit obligation	6,314	273
Past service costs, including curtailments	10	-
Benefits paid	(2,361)	(1,855)
Defined benefit obligations at the end of period	<u>56,309</u>	<u>71,259</u>

Reconciliation of Assets	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	57,348	54,082
Interest on plan assets	1,940	893
Return on plan assets	(880)	(1,594)
Other actuarial gains	27	-
Administrative expenses	(38)	(39)
Employer contributions	1,430	1,539
Scheme participants/other employer contributions	362	397
Benefits paid	(2,361)	(1,855)
Settlement prices received	-	3,925
Fair value of plan assets at end of period	<u>57,828</u>	<u>57,348</u>

THE BOURNEMOUTH AND POOLE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

26. CONTINGENT LIABILITIES

There are no contingent liabilities.

27. CAPITAL COMMITMENTS

	Group & College	Group & College
	2023	2022
	£'000	£'000
Commitments contracted for at 31 July	538	-

28. RELATED PARTY TRANSACTIONS

Owing 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 may have an interest. All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

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

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2021/22: nil).

During the year the College had transactions and balances as at 31 July 2023 with its two wholly-owned subsidiaries as follows:

Southern Educational Facilities Management Limited:

	2023	2022
	£'000	£'000
Purchases	483	490
Amount owed to subsidiary undertaking	2	1

Southern Educational Professional Services Limited:

	2023	2022
	£'000	£'000
Purchases	1704	622
Amount owed to subsidiary undertaking	25	17

Wessex Education Shared Services Limited (WESS) – The previous joint venture between Bournemouth and Poole College and Brockenhurst College

The joint venture ceased on 31 July 2022. All outstanding balances were paid with the exception of the balance of an initial set-up loan of £20k which was agreed to be deemed cleared along with a similar debt owed to the other member, Brockenhurst College.

A new service level agreement for the provision of back office systems was in place with WESS during the year at a cost of £38k. This is renewable annually.

THE BOURNEMOUTH AND POOLE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

29. AMOUNTS DISBURSED AS AGENT

Learner Support Fund

	Group & College 2023 £'000	Group & College 2022 £'000
Funding body grants - bursary support	376	361
Funding body grants - discretionary learner support	31	90
Other funding body grants	80	115
	<hr/>	<hr/>
	487	566
Disbursed to students	(473)	(509)
Audit and administration	(13)	(14)
Balance unspent as at 31 July and included in creditors	<hr/> <u>1</u>	<hr/> <u>44</u>

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

30. EVENTS AFTER THE REPORTING PERIOD

During the year the College continued to plan for a major reinvestment at Bournemouth Campus costing in excess of £40m. The contract for the works was signed by the Department for Education and Kier, the main contractor, in November 2023.