Capel Manor College

Annual Report and Financial Statements
For the year ended 31 July 2024

Contents

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel are defined as the members of the Senior Leadership Team and were represented by the following in 2023-24 and up to the date of this report.

Peter Brammall - Principal, Chief Executive and Accounting Officer
Paul Smith - Deputy Principal and Chief Operating Officer
James Bryan – Executive Director of HR & Central Services
Denise Lloyd - Vice Principal

Board of Governors

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

Joanne Coffey was Director of Governance for the year.

Roger McClure was Chair of Governors until July 2024, when he reached the end of his appointed term and passed the chair to Jonanne Roxburgh.

Professional Advisers

Financial Statements and Regularity Auditors

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal Auditors to 31 July 2024

Scrutton Bland
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Solicitors

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

Bankers

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

Clydesdale Bank PLC
88 Wood Street
London
EC2V 7QQ

Barclays Bank PLC
1 Churchill Place
London
E15 HHP

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Objectives and Strategy

The Corporation presents its annual report and audited financial statements for the year ended 31 July 2024.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Capel Manor College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the exempt charity, are disclosed on pages 16 to 19.

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

Mission, Vision, Strategy and Objectives

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

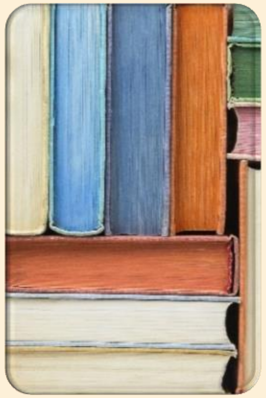
The College offers a range of full and part-time courses in further and higher education for school leavers and adults. In 2023/24 there were 3,127 students, including 911 16-18 learners. These learners are on study programmes and apprenticeships in subjects including: horticulture, landscaping, garden design, arboriculture, agriculture, environmental conservation, floristry and event planning, animal management and saddlery.

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

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

Capel Manor College Strategic Objectives

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



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

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

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

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

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

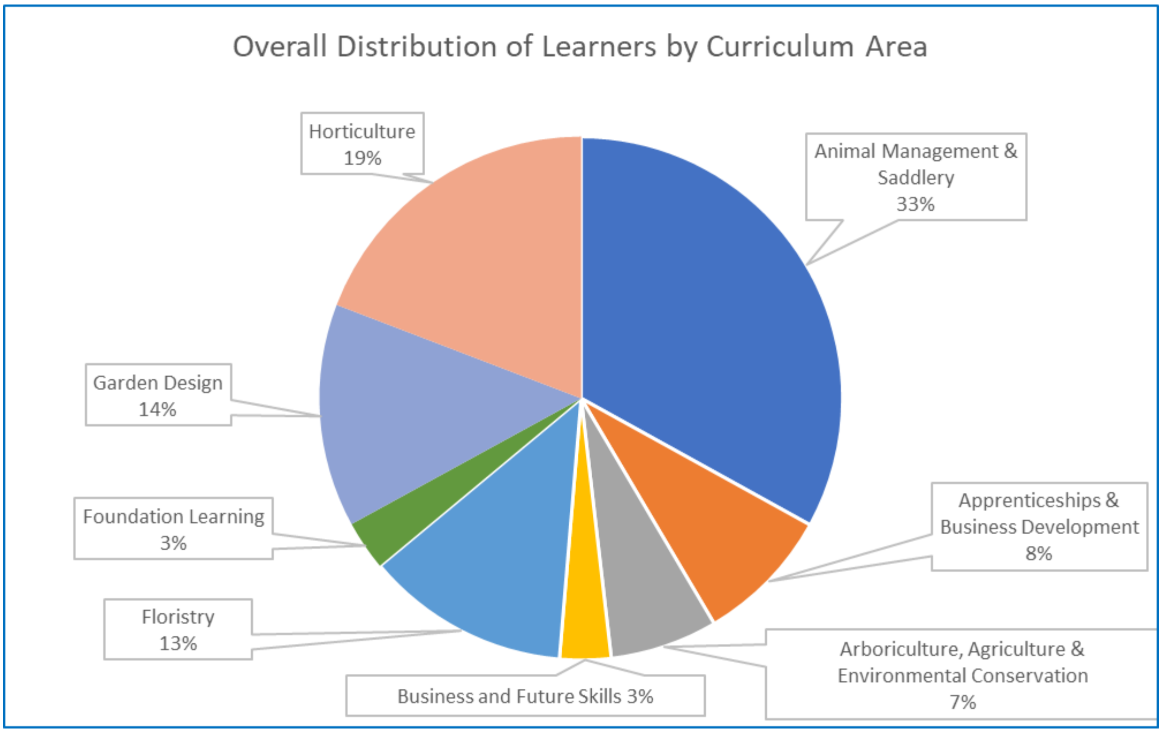
Lead on equality, diversity and inclusion to be truly representative of the diversity of London, embracing and promoting inclusivity in land-based careers.

Resources

The College employs approximately 316 people (expressed as 272 full time equivalent); of whom 115 are teaching staff (expressed as 104 full time equivalent staff). We value all who work for Capel Manor and the contribution we collectively make to furthering our mission and vision and upholding our values.

Capel Manor College enrolled 3127 learners, studying on the College's five campuses and via workplace learning. The overall achievement rate for FE learners for all ages was 87%, representing an 0.7% increase on the previous year and keeping the College above the national average figure for student achievement.

Our overall learners by curriculum area are as follows:



The proportion of our learners with declared disabilities was 17.5% and the proportion of learners with declared learning difficulties was 23.4%. The College's Black, Asian and Mixed Ethnicity (BAME) is 28.5%. The College is actively seeking an even better diversity representation through policies, practices and marketing.

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

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

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

To support our sustainable future, the College delivers several successful commercial enterprises integrated into our specialisms, which not only contribute to our income but also provide added value for our students. These include the College's own 200-acre estates, its farm, public gardens zoos and associated events.

We work in close partnerships with world-class partners across our specialisms, including the Royal Parks, City of London, Royal Botanical Garden (Kew), The Zoological Society – London (ZSL), The Royal Horticultural Society and the Peabody Group, to name a few of our key employers.

The College was Ofsted rated as 'Requires Improvement' overall, after a full inspection in May 2023. The College's work with adult students, which reflects 60% of enrolments, was recognised as 'Good'. This assessment was consistent with the College's own self-assessment in autumn 2022. Inspectors recognised the positive work taking place in a number of areas to make improvements. Subsequent to the Ofsted visit, the improvements have resulted in a significant uplift in year-end achievement results, with young and adult students achieving results that sit above the national average. The College's improvement work was further re-assessed during the Monitoring Visit in April 2024 by Ofsted, who endorsed the work underway and impact being seen.

Stakeholder Relationships

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

- Students and staff;
- Education sector funding bodies;
- Employers;
- Local authorities;
- Local Skills Improvement Plan partners and commissioners, including Local Strategic Partnerships and the Mayor's Green Skills Academies;
- Local communities;
- Other Further Education institutions;
- Professional bodies;
- The Greater London Authority;
- Higher Educations Institutions;
- The Livery companies of London;
- NGO's and other regulatory authorities.

The College recognises the importance of these relationships and engages in regular communication with them.

Public Benefit

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

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education and training:

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

Sustainability

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

We are also seeking to:

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

Financial Objectives

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

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

The College's financial objectives are:

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

Performance Indicators

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

Key Performance Indicator	Measure/Target	Actual for 2023/24
EBITDA as % of income	≥ 6%	2.4%
Staff costs as a % of income (before FRS 102 pension adjustments)	≤ 70%	67.1%
Operating cash flow	> 0	£444k
Liquidity (adjusted current ratio)	≥ 2.5:1	2.5:2
Total borrowing as a % of income	≤ 4%	0%
Adjusted cash days in hand	≥ 30	188 days
Operating surplus/(deficit) as % of income	>0	1.51%
Financial Health Score	Good	Good

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

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

Financial Position

Financial review

The Group generated a gain before other gains and losses in the year of £384k (2022-23: loss £731k), with total comprehensive income of £305k (2022-23 £1,717k). The gain is stated after recording an FRS 102 pension gain of (£79k) (2022-23: £640k).

The College has significant reliance on the education sector funding bodies for its principal funding, largely from recurrent grants. In 2023-24 the FE funding bodies provided 82% (2022-23: 83%) of the College’s total income.

At 31 July 2024, the Group has net current assets of £6,107k, including cash and short-term investment balances of £10,081k and no long-term debt. The group wishes to continue to accumulate reserves and cash balances in order to reinvest in its current operations and fund future development opportunities as they arise.

The group’s reserves increased in the year by £305k (2023-24: increased by £1,717k). This arises from the gain of £384k (2022-23: loss of £731k) and a net actuarial loss of £79k (Enfield LGPS loss £68k; Kent LGPS loss £11k); (2022-23: total actuarial gain of £2,448– Enfield LGPS gain £2,335k, Kent LGPS gain £113k).

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

Tangible fixed asset additions during the year amounted to £8,307k (note 10). This was split between freehold land and buildings: £268k, assets under construction: £6,923k, leasehold property: £101k and equipment: £1,015k.

The group accounts incorporate the results of Forty Hall Community Vineyard Limited and the balance sheet of Capel Manor Limited (note 11), noting that Capel Manor Limited was dormant during 2023-24.

Treasury policies and objectives

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

Cash flows and liquidity

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

The group made a net cash inflow of £820k (2022-23: outflow of £1,840k) in the year (Consolidated Statement of Cash Flows). This is due to funding received from the ESFA and GLA for capital investments, noting that operating cashflow is positive.

Reserves Policy

The group has positive reserves of £9,635k against a targeted reserve of £9330k. As part of its normal finance control, the College seeks to hold liquid reserves equivalent to three months trading. Presently, this would normally equate to a reserve of £5.1m.

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

Current and Future Development

Student Numbers

In 2023-24, the College has delivered activities that have generated £15,028k in funding body main allocation (2022-23 £14,612k). The College delivered to 911 16–18 year-olds, 52 less than the 963 contracted for. This, together with the profile of curriculum for those learners with high needs, reduced the funding allocation for 2024-25 to 916 learners through the lagged funding methodology.

Curriculum Achievements

The overall student achievement rate for 2023-24 was 87.6%, 5.1% above the national average figure.

Curriculum Developments

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

The College recognises the importance of the environment and greenspace in London and the role the College has to play in supporting the environment and those working in the environment and land-based 'green-skills' sectors.

The College is seeking to grow through increasing student numbers and in particular the provision for 16–18 year-olds, Apprenticeships and Higher Education. The College continues to have a productive relationship with the Royal Agricultural University. The College is set to add new curriculum pathways through the delivery of T-levels in Animal Care and Management at the Mottingham campus, and Creative Arts at the Enfield campus from September 2024.

The College has continued to explore the development of partnerships to serve the London Boroughs. These include partnering delivery in the West London and Local London Green Strategic Development Funds (SDF). The SDF is aimed at developing collaboration between FE providers and achieving closer alignment and coordination across activities that individual providers undertake, examining how respective offers overlap or complement each other. These partnerships have provided many benefits, including improved learning environments for the College's students through the delivery of new Immersive Learning suites at 2 of its campuses, enabling interactive, immersive and virtually enhanced delivery.

Premises and estates

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

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

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

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

The College is constructing two new buildings at its Mottingham campus with expected completion in October 2024. These will deliver increased space and improved facilities with a projected cost of £9m. The project is fully financed by grant funding from the Greater London Authority, the Department for Education via the T levels Capital Fund and the Further Education Captial Transformation Fund.

The College has invested significantly in improved digital capabilities during the year to ensure improved support and effective learning environments for students, including enhanced wi-fi, new laptops and SMART boards in classrooms.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the 2023-24 accounting year, the College paid 97 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Reputation

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

Events after the end of the reporting period

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

Principal Risks and Uncertainties

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

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

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

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

1. Insufficient student recruitment and grant funding to support the curriculum
    - Strategic and income related target setting
    - Key Performance Indicators
    - Marketing and enrolment review meetings
    - Marketing strategy
    - Provider Data Self-Assessment Tool (PDSAT) validation of Individual Learning Records
    - Internal audit

2. A failure to maintain an appropriate workforce, and organisational structure
    - Key Performance Indicators
    - Internal audit
    - Workforce / organisational development
    - Equality and diversity committee
    - Business planning

- Change management
- Regular reviews/surveys
- Network resilience
- Flexible work patterns
- Performance review and development
- Safety culture and working groups
- Occupational health and welfare programmes
- General Data Protection

3. A failure to diversify income, control costs or provide sufficient income from other sources

- Strategic and income related target setting
- Key Performance Indicators
- Marketing review meetings
- External and regulatory audits
- Internal audit
- External project management of capital programmes
- Financial regulations
- Staff development
- Business planning
- Commercial digitisation

4. A failure to maintain appropriate assets, estates, infrastructure and facilities to support the curriculum and business development

- Internal audit
- Health and safety committee
- Key Performance Indicators
- Space and occupancy surveys
- Staff surveys
- Student surveys
- Customer surveys
- Firewalls
- Cloud-based systems and managed services
- Resilient and distributed network structures
- Staff development
- Business planning
- Cyber-security / anti-fraud measures / Cyber essentials

Equality and Diversity and Inclusion Policy

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

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

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

Disability statement

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

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

The College provides mandatory Equality, Diversity and Inclusion training for all new starters and forms part of the induction training.

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

a) The College has appointed staff who provide information, advice and arrange support where necessary for students with disabilities/learning difficulties.

b) There is a range of specialist equipment, e.g. hearing loops which the College can make available for use by students alongside a range of various assistive technology.

c) The College will appoint specialist staff to support students with learning difficulties and/or disabilities when required. There are a number of student support assistants who can provide a variety of support for learning.

d) The College offers staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

e) Counselling and welfare services are described in the student handbook, which is also available to students together with details on our additional learning support services which are covered as part of induction and at other times throughout the year.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College. During the period 1 August 2023 to 31 July 2024 the College did not have any representatives and thus no time was incurred. The College has established a Staff Council, with representatives nominated from all areas and campuses, proving a mechanism for effective staff representation and feedback.

Going Concern

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

The College has cash and short-term deposits of £10,081k, net current assets of £6,107k, no debt and net assets of £9,635k.

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

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

Disclosure of Information to the Auditor

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

Approved by order of the members of the Corporation on 11 December 2024 and signed on their behalf by:

Joanne Roxburgh
Chair of Corporation

11 December 2024

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

The College is committed to exhibiting best practice in all aspects of corporate governance and in carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 (latest update September 2021), which it formally adopted on 28 March 2017. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

The Corporation

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

Governors serving on the College Board during 2023-24

Name	Date of Appointment: (A) Re-Appointment(s): (B), (C), (D), (E), (F), (G)[1]	Term of office	Date of end of service	Method of appointment	Committees served	Corporation meeting attendance
Paulina Balogun	(A) 14 July 2021	4 years	Leave of absence April 2023-Jan 2024	Governing Body	• Corporation • Finance and Resources	0/2
Nicola Barker	(A) 10 July 2024	4 years		Governing Body	• Corporation	0/0
Dr Heather Barrett-Mold OBE	(A) Appointed at the end of the summer term 25 March 2015 (B) 3 April 2019 (C) 29 March 2023	4 years 4 years 4 years		Governing Body	• Corporation (Vice Chair) • Academic • Search, Governance and Remuneration • Finance and Resources	3/4
Peter Brammall	(A) 10 April 2023	Ongoing		Principal	All Committees except Audit and Remuneration	4/4
Dr Sheila Cunningham	(A) 21 April 2020	4 years		Governing Body	• Corporation • Academic • Audit	2/4
Aaron Davis	(A) 12 July 2023	4 years		Governing Body	• Corporation	4/4
Dr Darrell DeSouza	(A) 17 May 2023	4 years		Governing Body	• Corporation • Audit • Academic • Search, Governance and Remuneration	3/4
Peter Doble	(A) 12 December 2018 (B) 14 December 2022	4 years 3 years		Governing Body	• Corporation • Finance and Resources • Estates	4/5

Governors serving on the College Board during 2023-24						
Name	**Date of Appointment: (A)** **Re-Appointment(s): (B), (C), (D), (E), (F), (G)[1]**	**Term of office**	**Date of end of service**	**Method of appointment**	**Committees served**	**Corporation meeting attendance**
Richard Elliott	(A) 18 October 2023 (B) 22 May 2024	1 year 1 year		Student Governor Panel[2]	• Corporation • Academic • Estates • Finance	2/3
Lorna Fitzjohn	(A) 28 September 2022	4 years		Governing Body	• Corporation • Academic • Finance and Resources	4/4
Zoe Halfyard	(A) 13 December 2023	1 year		Staff Council	• Corporation • Academic • Estates • Finance	3/3
Guy Jones-Owen	(A) 28 March 2018 (B) 30 March 2022	4 years 4 years		Governing Body	• Corporation • Audit	2/4
Joanne Laban	(A) 11 December 2019	4 years	Retired 13 December 2023	Governing Body	• Corporation	0/2
Alex Lane	(A) 15 December 2021	4 years		Governing Body	• Corporation • Audit • Estates	4/4
Mei Lim	(A) 14 December 2022	4 years		Governing Body	• Corporation • Finance and Resources	3/4
Ralph Luck OBE	(A) 31 March 2021	4 years		Governing Body	• Corporation • Estates •	4/4
Alexis Malpica	(A) 18 October 2023	1 year		Student Governor Panel[2]	• Corporation • Academic • Estates Finance	0/3

Governors serving on the College Board during 2023-24						
Name	**Date of Appointment: (A)** **Re-Appointment(s): (B), (C), (D), (E), (F), (G)[1]**	**Term of office**	**Date of end of service**	**Method of appointment**	**Committees served**	**Corporation meeting attendance**
Roger McClure	(A) 30 June 2016 (B) 15 July 2020	4 years 4 years	Retired 10 July 2024	Governing Body	• Corporation (Chair) • Finance and Resources • Search, Governance and Remuneration • Estates	4/4
Heather Marks	(A) 15 December 2021	2 years	Retired 13 December 2023	Governing Body	• Corporation • Academic	0/2
Sarah Moreland	(A) 16 December 2020	4 years		Governing Body	• Corporation • Estates • Academic	2/4
Joanne Roxburgh	(A) 17 May 2023	4 years		Governing Body	• Corporation (Chair from 10 July 2024) • Finance and Resources • Search, Governance and Remuneration • Estates	4/4
Milana Uginciute	(A) 18 October 2023 (B) 22 May 2024	1 year 1 year		Student Governor Panel[2]	• Corporation • Academic • Estates • Finance	2/3
Stephen Way	(A) 31 March 2021	4 years		Governing Body	• Corporation • Estates • Academic • Search, Governance and Remuneration	3/4

Governors serving on the College Board during 2023-24						
Name	**Date of Appointment: (A)** **Re-Appointment(s): (B), (C), (D), (E), (F), (G)[1]**	**Term of office**	**Date of end of service**	**Method of appointment**	**Committees served**	**Corporation meeting attendance**
Joanne Coffey served as Director of Governance in 2023-24. **NOTES:** 1. Date of appointment data is provided for the last three terms of office in respect of governors who have held office in excess of ten years. Student Governor Panel consists of Principal, Vice Principal and Director of Governance.						

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets each term.

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

The Director of Governance maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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

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

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search, Governance and Remuneration Committee, consisting of up to six members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office of up to four years, not exceeding more than three full terms of office, unless exceptionally voted to serve additional terms.

Corporation performance

The Director of Governance carried out an assessment of the Corporation for the year ended 31 July 2024. On 11 December 2024, the Governing Body agreed that the Corporation had been effective for the specified parameters.

An External Review of Governance took place during 1 April to 31 July 2023, which found evidence that the Board is proficient and has impact on college strategy, effectiveness, and outcomes. The final report can be found on the College's website. The next review is due in 2026.

Governance Professional's development

From 1 August 2023 to 31 July 2024, the Director of Governance attended a Governance Professional's London and South-East networking meeting and presentation and took part in online modules in Prevent and Safeguarding.

Remuneration

Throughout the year ended 31 July 2024, the College's Search, Governance and Remuneration Committee comprised five members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2024 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee during 2023-24 comprised five members of the Corporation (excluding the Accounting Officer and Chair) and an Independent Member. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes follow-up reviews to ensure that such recommendations have been implemented.

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

Internal Control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Capel Manor College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The Risk and Control Framework

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

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

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

Review of effectiveness

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

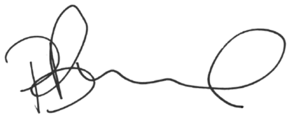
- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors and the reporting accountant for regularity assurance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

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

The Accounting Officer and Senior Leadership Team receive reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Principal and Senior Leadership Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2024 meeting, the Audit Committee, on behalf of the Corporation, carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Senior Leadership Team and the internal audit, and taking account of events since 31 July 2024.

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

Approved by order of the Members of the Corporation on 11 December 2024 and signed on their behalf by:



Joanne Roxburgh
Chair of Corporation

11 December 2024

Peter Brammall
Accounting Officer

11 December 2024

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Governing Body's Statement on Regularity, Propriety and Compliance

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

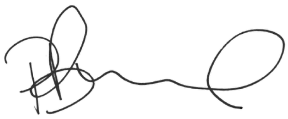
I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the Corporation's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

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

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

Joanne Roxburgh
Chair of Corporation

11 December 2024



Peter Brammall
Accounting Officer

11 December 2024

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

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

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

Approved by order of the members of the Corporation on [date] and signed on its behalf by:

Joanne Roxburgh
Chair of Corporation

11 December 2024

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

Opinion
We have audited the financial statements of Capel Manor College (the parent 'College') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the group statement of comprehensive income, the group statement of changes in reserves, the balance sheets, the group statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and College's affairs as at 31 July 2024 and of its excess of expenditure over income for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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

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

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

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

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

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

We have nothing to report in this regard.

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

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

Responsibilities of the Corporation

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

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

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and other funding bodies and the associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

Use of our report

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

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 20 December 2024

Reporting Accountant's Assurance Report on Regularity

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

In accordance with the terms of our engagement letter dated 9 June 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Capel Manor College during the period 1 August 2022 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Capel Manor College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed:

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

Date: 20 December 2024

Consolidated Statement of Comprehensive Income

	Notes	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
INCOME					
Funding body grants	2	16,487	16,487	15,557	15,557
Tuition fees and education contracts	3	1,713	1,713	1,647	1,647
Other income	4	2,021	1,881	1,787	1,690
Investment income	5	229	229	66	66
Total income		20,450	20,310	19,057	18,960
EXPENDITURE					
Staff costs	6	13,421	13,421	13,566	13,566
Other operating expenses	7	5,932	5,814	5,563	5,467
Depreciation	10	657	652	610	608
Interest and other finance costs	8	56	56	49	49
Total expenditure		20,066	19,943	19,788	19,690
Surplus (loss) for the year before tax		384	367	(731)	(730)
Taxation	9	-	-	-	-
Surplus (loss) for the year after tax		384	367	(731)	(730)
Actuarial (loss) in respect of pensions	21	(79)	(79)	2,448	2,448
Total comprehensive income for the year		305	288	1,717	1,717

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

Represented by:				
Restricted comprehensive income	-	-	-	-
Unrestricted comprehensive income	305	288	1,717	1,717
	305	288	1,717	1,717

Consolidated and College Statement of Changes in Reserves

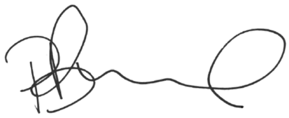
	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 31 July 2022	7,044	569	7,613
Loss from the income and expenditure account	(731)	-	(731)
Other comprehensive income – actuarial gain	2,448	-	2,448
Transfers between revaluation and income and expenditure reserves	11	(11)	-
Total comprehensive income for the year	1,728	(11)	1,717
Balance as at 31 July 2023	8,772	558	9,330
Gain from the income and expenditure account	384	-	384
Other comprehensive income – actuarial gain	(79)	-	(79)
Transfers between revaluation and income and expenditure reserves	10	(10)	-
Total comprehensive income for the year	315	(10)	305
Balance as at 31 July 2024	9,087	548	9,635
College			
Balance as at 31 July 2022	6,830	569	7,399
Loss from the income and expenditure account	(730)	-	(730)
Other comprehensive income– actuarial gain			
Surpluses gift aided by subsidiaries	2,448	-	2,448
	195	-	195
Transfers between revaluation and income and expenditure reserves	11	(11)	-
Total comprehensive income for the year	1,924	(11)	1,913
Balance as at 31 July 2023	8,754	558	9,312
Surpluses from income and expenditure account	367	-	367
Other comprehensive income– actuarial loss	(79)	-	(79)
Transfers between revaluation and income and expenditure reserves	10	(10)	-
Total comprehensive income for the year	298	(10)	288
Balance at 31 July 2024	9,052	548	9,600

Balance Sheets as at 31 July

	Notes	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Non-current assets					
Tangible fixed assets	10	16,871	16,852	9,221	9,198
Investments	11	-	-	-	-
Total fixed assets		16,871	16,852	9,221	9,198
Current assets					
Stocks		88	21	49	23
Trade and other receivables	12	912	903	521	516
Short term deposits	13	6,626	6,626	5,494	5,494
Cash and cash equivalents		3,455	3,448	2,635	2,579
Total current assets		11,081	10,998	8,699	8,612
Less: Creditors – amounts falling due within one year	14	(4,974)	(4,907)	(4,499)	(4,407)
Net current assets		6,107	6,091	4,200	4,205
Total assets less current liabilities		22,978	22,943	13,421	13,403
Less: Creditors – amounts falling due after more than one year	15	(13,343)	(13,343)	(4,091)	(4,091)
Provisions: Defined benefit obligations	16	-	-	-	-
Total net assets		9,635	9,600	9,330	9,312
Unrestricted Reserves:					
Income and expenditure account		9,087	9,052	8,772	8,754
Revaluation reserve		548	548	558	558
Total reserves		9,635	9,600	9,330	9,312

The financial statements on pages 33 to 61 were approved and authorised for issue by the Corporation on 11 December 2024 and were signed on its behalf on that date by:

Joanne Roxburgh
Chair of Corporation
11 December 2024



Peter Brammall
Accounting Officer
11 December 2024

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Consolidated Statement of Cash Flows

	Notes	2024	2023
		£'000	£'000
Cash flow from operating activities			
Gain for the year		384	(731)
Adjustment for non-cash items:			
Depreciation		657	610
Increase in stocks		(39)	2
Decrease (increase) in debtors		(391)	40
Increase in creditors		475	1,526
(Decrease) increase in creditors due after one year		(334)	(178)
Pensions costs less contributions payable		(79)	640
Adjustment for investing or financing activities:			
Investment income		(229)	(66)
Net cash flow from operating activities		444	1,843
Cash flows from investing activities			
Payments made to acquire fixed assets		(8,307)	(1,187)
Investment income		229	66
Increase in short term deposits		(1,132)	(4,355)
Deferred capital grants received		9,586	1,793
		376	(3,683)
(Decrease) increase in cash and cash equivalents in the year		820	(1,840)
Cash and cash equivalents at beginning of the year	17	2,635	4,475
Cash and cash equivalents at end of the year	17	3,455	2,635

Notes to the Accounts

1. Accounting policies

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended* Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP) and the College Accounts Direction for 2023-24 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 when applying the College’s accounting policies.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Forty Hall Community Vineyard Limited which is controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2024.

The College has other subsidiary companies, Enfield Veg Co Limited and Capel Manor Limited. Both companies remained dormant in the financial year ended 31 July 2024. Capel Manor Limited was made dormant on 31 July 2022 and all relevant transactions during 2023/24 have been included in Capel Manor College.

Going concern

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

The College currently has no loans outstanding.

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

Recognition of income

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are capitalised, held as deferred income and recognised in income in line with depreciation over the life of the assets, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

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

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

Accounting for Post-retirement benefits

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

Teachers' Pension Scheme (TPS)

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

As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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

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

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

Short term employment benefits

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

Non-current Assets - Tangible fixed assets

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College of between 10 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 10-15 years. Improvements to leasehold property are depreciated over the remaining life of the lease.

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

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

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

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

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

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

Buildings owned by third parties

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

Equipment

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

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

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

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

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

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

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

Leased assets

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

Investments

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

Inventories

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

Cash and cash equivalents

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

Financial Liabilities and equities

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

All loans and short-term deposits held by the group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments be subsequently measured at amortised cost; however, the College has calculated that the difference between the historic cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

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

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

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Borrowing costs

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

Agency arrangements

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Provision for bad debts

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

2 Funding body grants

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Recurrent grants				
ESFA- adult	390	390	367	367
GLA – adult	1,653	1,653	1,921	1,921
ESFA– 16-18	9,747	9,747	9,083	9,083
ESFA– apprenticeships	502	502	496	496
Specific grants				
ESFA– high needs funding	2,600	2,600	2,413	2,413
ESFA-Teachers' Pension	401	401	304	304
Capacity and Delivery Fund	-	-	122	122
Release of deferred capital grants	156	156	83	83
EFSA Discretionary learner support	72	72	79	79
GLA Discretionary learner support	582	582	284	284
EFSA Tuition fund	113	113	126	126
ESFA Additional specific bursaries	4	4	18	18
Multiplier Maths Project	152	152	127	127
Local and West London SDF Projects	115	115	134	134
Total	16,487	16,487	15,557	15,557

3 Tuition fees and education contracts

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Tuition fees	1,405	1,405	1,374	1,374
Education contracts	308	308	273	273
Total	1,713	1,713	1,647	1,647

Tuition fees funded by bursaries: Included within the above amounts are tuition fees funded by bursaries of £13k (2023: £61k).

4 Other income

	Group 2024	College 2024	Group 2023	College 2023
	£'000	£'000	£'000	£'000
Residencies and catering	296	296	217	217
ESFA Free school meal funds	40	40	58	58
Other income generating activities	418	418	399	399
Farming income	438	303	358	265
Capital grants	94	94	97	97
Teaching related activities	84	84	200	200
Examination and registration costs	128	128	116	116
Premises income	123	123	64	64
Other income	400	395	278	274
Total	2,021	1,881	1,787	1,690

5 Investment income

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Interest receivable	229	229	66	66
Total	229	229	66	66

6 Staff costs – Group and College

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

	2024 No. Headcount	2024 No. FTE	2023 No. Headcount	2023 No. FTE
Teaching staff	115	104	114	102
Non-teaching staff	201	168	204	170
Total Staff	316	272	318	272

Staff costs for the above persons

	Group 2024	College 2024	Group 2023	College 2023
	£'000	£'000	£'000	£'000
Wages and salaries	9,845	9,845	9,377	9,377
Social security costs	917	917	896	896
Other pension costs (note 22)	1,603	1,603	2,139	2,139
Includes (£135k) FRS102 adjustment (2023: £591k)				
Payroll sub total	12,365	12,365	12,412	12,412
Contracted out staffing services	1,056	1,056	1,154	1,154
Total Staff costs	13,421	13,421	13,566	13,566

Key Management Personnel

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

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

	2024 No	2023 No.
The number of key management personnel including the Accounting Officer was:	4	7

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

	Key management personnel		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£60,001 to £65,000	-	1	3	2
£65,001 to £70,000	-	-	4	-
£70,001 to £75,000	-	1	-	-
£75,001 to £80,000	1	-	-	-
£80,001 to £85,000	-	1	2	-
£90,001 to £95,000	1	-	-	-
£105,001 to £110,000	1	-	-	-
£125,001 to £130,000	-	1	-	-
£145,001 to £150,000	1	-	-	-
	4	4	9	2

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

Key management post holder emoluments are made up as follows:

	2024 £'000	2023 £'000
Salaries	423	472
Employers National Insurance	53	57
	476	529
Pension contributions	77	61
Total emoluments	553	590

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

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

	2024 £'000	2023 £'000
Principal		
Salary	146	42
Pension contributions	19	7
	165	49
Interim Principal (1 August 2022 – 30 June 2023)		
Salary	-	103
Cessation of Office	-	21
Holiday pay entitlement	-	3
Pensions Contributions	-	24
	-	151
Total Emoluments	165	200

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

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

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

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

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

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

	2024 £'000	2023 £'000
Principal's basic salary as a multiple of the median of all staff	7.57	8.28
Principal and CEO's total remuneration as a multiple of the median of all staff	7.60	8.42

7 Other operating expenses

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Teaching costs	1,225	1,225	1,091	1,091
Non-teaching costs	2,975	2,857	2,661	2,565
Premises costs	1,732	1,732	1,811	1,811
Total	5,932	5,814	5,563	5,467

Other operating expenses include:	2024	2023
	£'000	£'000
Auditor's remuneration:		
Financial statements and regularity audit	42	41
Internal audit	28	22
Hire of assets under operating leases	31	34

8 Interest and other finance costs – Group and College

	2024 £'000	2023 £'000
Net interest on defined pension liability (note 22):		
Enfield LGPS	62	46
Kent LGPS	(6)	3
Total	56	49

9 Taxation

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

10 Tangible fixed assets (Group)

	Land and Buildings				
	Freehold £'000	Under Construction £'000	Long leasehold £'000	Plant and Equipment £'000	Total £'000
Cost or valuation					
At 1 August 2023	9,935	1,063	1,176	2,082	14,256
Additions in year	268	6,923	101	1,015	8,307
At 31 July 2024	10,203	7,986	1,277	3,097	22,563
Depreciation					
At 1 August 2023	2,942	-	798	1,295	5,035
Charge for the year	299	-	29	329	657
At 31 July 2024	3,241	-	827	1,624	5,692
Net book value at 31 July 2024	6,962	7,986	450	1,473	16,871
Net book value at 31 July 2023	6,993	1,063	378	787	9,221

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

Tangible fixed assets (College only)

	Land and buildings				
	Freehold	Under Construction	Long leasehold	Plant and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	9,935	1,063	1,176	2,039	14,213
Additions	268	6,923	101	1015	8,307
At 31 July 2024	10,203	7,986	1,277	3,054	22,520
Depreciation					
At 1 August 2023	2,942	-	798	1,275	5,015
Charge for the year	299	-	29	325	653
At 31 July 2024	3,241	-	827	1,600	5,668
Net book value at 31 July 2024	6,962	7,986	450	1,454	16,852
Net book value at 31 July 2023	6,993	1,063	378	764	9,198

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

Land and buildings with a net book value of £875k (2023: £679k) have been partly financed by exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the ESFA, to surrender the proceeds.

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

11 Non-current investment (College)

	2024	2023
	£	£
Investments in subsidiary companies	5	5
Total	5	5

The College owns 100 per cent of the issued ordinary £1 shares of Capel Manor Limited, a company incorporated in England and Wales. Capel Manor Limited owed £nil to the College at 31 July 2024 (2023: nil. Capel Manor Limited is currently dormant.

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

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

12 Trade and other receivables

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Amounts falling due within one year:				
Trade Debtors	591	582	358	354
Prepayments and accrued income	320	320	162	162
Amounts owed from subsidiary undertakings	-	-	-	-
Other debtors	1	1	1	-
Total	912	903	521	516

13 Current investments

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Short term deposits	6,626	6,626	5,494	5,494
Total	6,626	6,626	5,494	5,494

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

14 Creditors: amounts falling due within one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Payments received in advance	1,014	1,014	1,102	1,088
Trade creditors	421	388	253	240
Other taxation and social security	243	243	241	243
Accruals and deferred income	2,254	2,253	2,104	2,088
Deferred income – capital grants	250	250	166	166
Amount owed to subsidiary undertakings	-	-	-	17
Amounts owed to funding bodies	18	18	25	25
Other creditors	445	412	265	197
Holiday pay accrual	329	329	343	343
Total	4,974	4,907	4,499	4,407

15 Creditors: amounts falling after one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Deferred income – capital grants	13,343	13,343	4,091	4,091
Total	13,343	13,343	4,091	4,091

16 Provisions (Group and College)

Defined benefit obligations

	2024	2023
At 1 August 2023	-	(1,808)
Expenditure in the period	79	(640)
Actuarial gain in period	399	3,791
Actuarial gain capped to Nil	(478)	(1,343)
At 31 July 2024	-	-

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

	2024	2023
Price inflation	2.75%	2.6%
Discount rate	5.0%	4.9%

17 Cash and Cash Equivalents

	At 1 Aug 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Cash and cash equivalents	2.635	820	3,455
Total	2,635	820	3,455

18 Capital commitments (Group and College)

	2024 £'000	2023 £'000
Commitments contracted for at 31 July	875	7,920
Authorised but not contracted at 31 July	6,900	1,100

At 31 July the College's capital commitment was £7,775k which is made up of £875k for the Mottingham phase 1 building project, £2,900 Mottingham phase 2 project and £4,000k for the Enfield Hessayon 2024/25 capital budget.

19 Lease obligations (Group and College)

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

	2024 £'000	2023 £'000
Land and buildings:		
Expiring within one year	278	309
Expiring within two and five years inclusive	435	531
Expiring in over five years	1,901	2,285
	2,614	3,125

	2024 £'000	2023 £'000
Equipment:		
Expiring within one year	31	34
Expiring within two and five years inclusive	-	-
	31	34

20 Contingent liability

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

21 Local Government Pension Scheme

Defined benefit obligations:	2024 £'000	2023 £'000
Enfield LGPS (note 22)	(1,709)	(1,247)
Kent LGPS (note 22)	(112)	(96)
Actuarial gain capped to Nil	1,821	1,343
Total liability	-	-

The total pension expense for LGPS Enfield and the Kent Pension Fund in 2023/24 was £831k, employer contribution amounted to £910k resulting in a gain of 79k (Enfield LGPS (£68k), Kent LGPS (£11k)). The actuarial gain on investment less prior year's adjustment to cap to nil was £399k resulting in a total gain of £478k. The College adjusted the figure down by £79k in order to cap the 2023/24 LGPS pension gain to nil, as gains on pension assets are not recoverable.

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As at 31 July 2024 the College has obtained an actuarial valuation of the College's share of both scheme's assets and liabilities (note 22).

22 Pension and similar obligations

The College's employees belong to three principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council and the London Borough of Enfield Local Authority. All three are defined-benefit schemes.

The actuary has estimated the cost of the employer's contributions for the period to 31 July 2025 to be approximately £853k for LGPS Enfield and £18k for the Kent Pension Fund. Payments for these cost will be spread across 12 months from August 2024 to July 2025

Total pension cost for the year	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Teachers' Pension Scheme: contributions paid		828		762
Local Government Pension Scheme: Contributions paid:				
Enfield LGPS	892		766	
Kent LGPS	18		20	
FRS 102 charge	(135)		591	
Charge to the Income and Expenditure Account (staff costs)		775		1,377
Total Pension Cost for Year (note 6)		1,603		2,139

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £211k (2022-23: £189k) were payable to the schemes at 31 July and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out in 2023 based on the data as at 31 March 2020. The valuation report was published by the Department for Education (DfE) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from September 2019 onwards (compared to 23.68% during 2022/23). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023-24 and the 2024-25 academic years. The College receive an additional payment of £64k from the DfE towards the additional employer contribution.

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 £828k (2022-23: £762k).

Enfield Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Borough of Enfield Local Authority. The total contributions made for the year ended 31 July 2023 were £1,216k, of which employer's contributions totalled £892k and employees' contributions totalled £324k. The agreed contribution rates for future years are 17.3% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	4.25%	4.1%
Rate of increase for pensions in payment and to deferred pensions	2.6%	2.6%
Discount rate for scheme liabilities	5.0%	4.9%
Rate of increase in inflation (Consumer Price Index)	2.75%	2.6%
Commutation of pensions to lump sums	70%	70%

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

	At 31 July 2024	At 31 July 2023
	Years	Years
Retiring today		
Males	20.8	21.2
Females	23.3	23.6
Retiring in 20 years		
Males	21.9	22.5

Females	24.7	25.1

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

	Value at 31 July 2024 £'000	Value at 31 July 2023 £'000
Equities	10,753	8,196
Property	2,259	943
Government Bonds	1,448	926
Corporate Bonds	4,328	3,190
Multi Asset Credit	-	652
Cash	890	1,355
Other	-	1,886
Total market value of assets	19,678	17,148
Actual return on plan assets	1,687	(210)

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

	2024 £'000	2023 £'000
Fair Value of plan assets	19,678	17,148
Present value of plan liabilities	(17,969)	(15,901)
Capped adjustment to limit net assets to nil	(1,709)	(1,247)
Net pension asset/(liability) (Note 21)	-	-

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

	2024 £'000	2023 £'000
Amounts included in staff costs:		
Current service cost	859	1,338
Past Service cost	-	-
Total	859	1,338

	2024 £'000	2023 £'000
Amounts included in finance costs:		
Net interest cost (note 8)	(62)	(46)
	(62)	(46)

	2024 £'000	2023 £'000
Amount recognised in Other Comprehensive Income:		
Return on pension plan assets	826	(792)
Experience losses arising on defined benefit obligations	(192)	6,017
Actuarial gains due to changes in demographic assumptions	394	265
Actuarial losses due to liability experience	(634)	(1,908)
Amount recognised in Other Comprehensive Income	394	3,582

	2024 £'000	2023 £'000
Movement in net defined benefit liability during year:		
Net defined benefit liability in scheme at 1 August	-	(1,710)
Movement in year:		
Current service cost	(859)	(1,338)
Past service cost	(27)	(7)
Employer contributions	892	766
Net interest	62	(46)
Actuarial gain	394	3,582
Actuarial gain capped to limit to nil	(462)	(1,247)
Net defined benefit liability at 31 July	-	-

Asset and Liability Reconciliation

	2024 £'000	2023 £'000
Defined benefit obligations at 1 August	15,901	18,579
Current service cost	859	1,338
Interest cost	799	628
Contributions by scheme participants	324	278
Experience gains and losses on defined benefit obligations	192	(6,017)
Estimated benefits paid	(373)	(555)
Past service cost	27	7
Actuarial (gains) due to changes in demographic assumptions	(394)	(265)
Actuarial losses due to liability experience	634	1,908
Defined benefit obligations at 31 July	17,969	15,901

Changes in fair value of plan assets

	2024 £'000	2023 £'000
Fair value of plan assets at 1 August	17,148	16,869
Interest on assets	861	582
Return on plan assets	826	(792)
Employer contributions	892	766
Contributions by Scheme participants	324	278
Benefits paid	(373)	(555)
Fair value of plan assets at 31 July	19,678	17,148

Kent Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the Kent County Council. The total contributions made for the year ended 31 July 2024 were £23k, of which employer's contributions totalled £18k and employees' contributions totalled £5k. The agreed contribution rates are between 18.4% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon an actuarial valuation of the fund as at 31 July 2024 by a qualified independent actuary.

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.85%	3.80%

Rate of increase for pensions in payment and to deferred pensions	2.80%	2.80%
Discount rate for scheme liabilities	5.10%	5.10%
Rate of increase in inflation (Consumer Price Index)	2.85%	2.80%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2024	At 31 July 2023
	Years	Years
Retiring today		
Males	20.7	20.7
Females	23.3	23.2
Retiring in 20 years		
Males	22.0	22.0
Females	24.7	24.6

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

	Value at 31Jul 2024 £'000	Value at 31 Jul 2023 £'000
Equities	309	319
Property	48	50
Government Bonds	38	3
Corporate Bonds	78	69
Cash	17	6
Other	27	36
Infrastructure	25	18
Total market value of assets	542	501
Actual return on plan assets	32	4

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

	2024 £'000	2023 £'000
Fair Value of plan assets	542	501
Present value of plan liabilities	(430)	(405)
Capped adjustment to limit net assets to nil	(112)	(96)
Net pension assets (Note 21)	-	-

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

	2024 £'000	2023 £'000
Amounts included in staff costs:		
Current service cost	13	32
Past Service cost	-	-
Total	13	32

	2024 £'000	2023 £'000
Amounts included in finance costs:		
Net interest cost (note 8)	6	(3)
	6	(3)

	2024 £'000	2023 £'000
Amount recognised in Other Comprehensive Income:		
Return on pension plan assets	32	4
Experience gains arising on defined benefit obligations	(2)	38
Amount recognised in Other Comprehensive Income	30	42

	2024 £'000	2023 £'000
Movement in net defined benefit liability during year:		
Net defined benefit liability in scheme at 1 August	-	(98)
Movement in year:		
Current service cost	(13)	(32)
Past service cost	-	-
Employer contributions	18	20
Net interest	6	(3)
Actuarial gain	5	209
Capped adjustment to limit to nil	(16)	(96)
Net defined benefit liability at 31 July	-	-

Asset and Liability Reconciliation

	2024 £'000	2023 £'000
Defined benefit obligations at 1 August	405	555
Current service cost	13	32
Interest cost	20	19
Change in financial assumptions	4	(224)
Change in demographic assumptions	(1)	(9)
Contributions by scheme participants	5	6
Experience gains on defined benefit obligations	(2)	38
Estimated benefits paid	(14)	(12)
Defined benefit obligations at 31 July	430	405

Changes in fair value of plan assets

	2024 £'000	2023 £'000
Fair value of plan assets at 1 August	501	457
Interest on assets	26	16
Return on plan assets	6	(12)
Other actuarial gains/losses	-	26
Employer contributions	18	20
Contributions by Scheme participants	5	6
Benefits paid	(14)	(12)
Fair value of plan assets at 31 July	542	501

23 Related party transactions

Owing to the nature of the College's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and standard procurement procedures. There were no such transactions in the year.

£1,958 of expenses were paid to or on behalf of the Governors during the year (2022-23 £128).

No governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2022-23: £Nil).

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

During the year, Capel Manor College purchased wine to the value of £12,403 (2023 £7,104) from Forty Hall Community Vineyard. At 31 July 2024 the College owed Forty Hall Community Vineyard £4,576 relating to two invoices (2023 £630). These invoices have since been paid. There is, therefore, no debt outstanding on the College's creditor account for Forty Hall Community Vineyard relating to 2023/24.

24 Amounts disbursed as agent

<u>Discretionary support funds</u>

	2024	2023
	£'000	£'000
Funding body grants	307	305
Disbursed to students	(388)	(380)
Administration costs	(4)	(15)
Amount consolidated in financial statements	85	90
Balance unspent as at 31 July, included in creditors	-	-

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