



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2024

Barnet and Southgate College Corporation
Southgate Campus
High Street
Southgate
N14 6BS

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Reference and Administrative Details

Board of Governors

The following Governors served during the year ended 31 July 2024 and at the date of signing this report:

A Almeida-Jones (until 1.5.2024)
 S Baker (until 9.12.2024)
 R Faramarzian (until 31.1.2024)
 I Galvin (until 1.5.2024)
 A Goldstein (Chair)
 D Mephram (Chief Executive) (until 31.1.2024)
 N Coker (appointed 1.2.2024)
 D Moore
 J Jarvis (Vice Chair)
 C O’Riordan
 C Scott
 H Sheath
 M Taylor
 A Middleton
 T Streater
 D Yilmaz (until 31.7.2024)
 A Morley (appointed 17.10.2023)
 E Eliades (17.10.2023 to 4.12.2024)
 T Rashid-Grant (appointed 17.10.2023)
 D Abbott (appointed 17.10.2023)
 S Macias (appointed 1.11.2023)
 T Jayaratne (appointed 1.7.2024)
 P Harding (appointed 1.7.2024)
 R Willis (appointed 1.7.2024)

Director of Governance

M Bagshaw

Executive Leadership Team

D Mephram (until 31.1.2024)
 N Coker (Accounting Officer from 1.2.2024)
 T McIntosh
 M Sellis (to 20.8.2023)
 H Savla (20.8.2023 – 7.4.2024)
 M Norton (7.4.2024 – 1.8.2024)
 I Rule (from 1.8.2024)
 V Cornwell-Lyons (from 12.8.2024)
 S Evans-Evans (from 16.9.2024)

Principal and Registered Office

Barnet and Southgate College, High Street, Southgate N14 6BS

Professional advisors

External Auditors	MHA
Internal Auditors	Scrutton Bland
Solicitors	Eversheds Sutherland (International) LLP
Bankers	Lloyds Bank

STRATEGIC REPORT

The members of the Board of Governors present their report and the audited financial statements for the year ended 31 July 2024.

A list of all the Governors who served on the Board at any point during 2023-24 and up to the date of signing, together with their roles, is to be found in the statement of corporate governance and internal control.

Legal Status

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

Mission, Vision, Strategy and Objectives

At the time of writing, the College is planning the launch of its new Strategic Plan, developed in consultation with key stakeholders, partners and staff which articulates a new vision that is supported by 6 Strategic Pillars, underpinned by 4 cross-cutting themes.

Our Vision

To be the leading provider of high-quality learning and skills development in North London, fostering exceptional educational experiences, driving innovation, supporting regional growth, and serving as a vital strategic partner for business and industry.

Our Strategic Pillars

Our Strategic Plan 2024-2030 is formed of 6 Key Pillars, each of which is supported by a Statement of Intent and underpinned by the 4 cross-cutting themes of Equality, Diversity, and Inclusion; Sustainability; New Technology; and Culture, Collaboration and Celebration:

- **A Relevant, Responsive, Agile Curriculum** - Our dynamic, inclusive curriculum will offer lifelong learning opportunities, meet changing skills needs, serve the local and regional economy, and respond to the demands of our students.
- **Innovative and Impactful Teaching, Learning and Assessment** - All our students matter to us and will leave us well-prepared for their futures. We will provide them with exceptional learning opportunities that makes best use of technology, ignites curiosity, and enables them to produce work they are proud of
- **Exceptional Staff Experience, Engagement and Satisfaction** - Acknowledging that our staff are our most valuable asset, we will ensure that their welfare, wellbeing and professional development are well-served and that we become an employer of choice for our current and future workforce.
- **Financial Resilience** - We will secure a strong financial position that enables the college to successfully navigate risks and be able to invest in staff capacity and capability, in our estate and in our learning resources, for the benefit of current and future students.
- **A Reputation for Excellence** - We will take all opportunities to promote our successes and position ourselves as a leading organisation in the region and communities we serve. We will position ourselves as a forward-thinking provider of learning and skills and a true college of the future.
- **Sustainable, Purposeful Partnerships** - We will actively develop and sustain meaningful partnerships that are mutually beneficial and open up opportunities that benefit our staff and our current and future students.

During 2023-24 the College had the number of students funded under arrangements made by the Secretary of State for Education set out in table 1 below:

Table 1. Number of students in 2023-24

Type of student	Number
Students (mainly 16-18)	3,129
16-18 Apprentices	21
19+ Apprentices	160
Other adult students	9,366
Higher Education Students (funded by the Office for Students)	150

This is not a comprehensive listing of the College's total student population. Amongst students not listed above are adults not studying for qualifications and students studying "non-funded" qualifications designed to improve life chances and social well-being. With these included, the total student population for 2023/24 exceeded 13,000.

Resources

The College employs 638 people, of whom 263 are teaching staff.

The College has £52.0 million of net assets (after allowing for £1.3 million pension liability). Tangible resources include the main College sites and £13.9 million held in current assets and net current asset position of £7.0m. The College occupied four premises during the year.

- 1) The Barnet campus in High Barnet including Tudor Hall
- 2) The Southgate Campus, lying to the west of the High Street, which also accommodates the Enfield Business Hub.
- 3) The Colindale campus which also accommodates the local public library and some community facilities.
- 4) Leased premises in Edmonton Green, Enfield.

The College has a good reputation locally, regionally, and nationally, working closely with partners, and especially employers, to design and deliver provision that meets their needs, those of students and of the local and wider community. Well-established partnerships exist with many organisations, including local and regional businesses, local authorities, NHS trusts, universities, local schools, community-based organisations, and the charitable sector, many of which result in significant enrichment opportunities for students. The College has provided support to newly arrived communities with improving their language skills and supporting them with their transition into British culture.

Over 600 employers provide work experience placements across the College because of the good links with businesses and other organisations.

Most curriculum areas have active links and partnerships with employers to enrich and inform curriculum delivery. Increasingly such partnerships are being used effectively to design a distinctive curriculum offer that meets their specific needs and meets employer demand locally and regionally.

Stakeholders

The College has many stakeholders including:

- its current, future and past students.
- its staff and their trade unions (UCU, Unison and NEU)

- the employers it works with.
- the professional organisations in the sectors where it works.
- The Universities of Bolton and Middlesex
- Barnet and Enfield secondary schools
- Department for Education
- Department for Work and Pensions
- London Mayoral Skills Academies
- the London Boroughs of Barnet and Enfield and other local authorities across London and Hertfordshire
- the Greater London Authority
- BusinessLDN
- West London Alliance
- several sports organisations providing coaching and training for students, including the Tottenham Hotspur Foundation.

During the year the College continued its links and influence with all the above and sought to play a significant part in local business and community affairs. The College is represented at key strategic partnership meetings and works with local resident groups to further the objectives of improving community partnership and strategic collaboration.

In partnership with the Mayoral Skills Academies the College has invested in Green Skills technology which will develop future skills needs in the green economy, this includes new provision in EV charging/maintenance, photovoltaic systems and heat pump installation.

Public Benefit

Barnet and Southgate College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Board of Governors, who are trustees of the charity, are disclosed on page 14. In setting and reviewing the College's strategic objectives, the Board of Governors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to over 13,000 students, including over 350 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and Maths courses. The College adjusts its courses to meet the needs of local employers and provides training to apprentices and pre-employment courses via sector-based work academies. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

At its most recent inspection, in November 2024, the college was successful in once again being judged by Ofsted as Good for Overall Effectiveness. The College secured an Outstanding judgement for its Apprenticeship provision and Good in all other areas subject to a full inspection.

Quality of education:	Good
Behaviour and attitudes:	Good
Personal development:	Good
Leadership and management:	Good
Education programmes for young people:	Good
Adult learning programmes:	Good
Apprenticeships:	Outstanding
Provision for learners with high needs:	Good

Financial Results

The College achieved a marginal deficit of £155k before other gains and losses (2023: surplus of £118k). Total income rose from £43.2m to £46.1m largely due to additional adult funding. Expenditure on staffing also rose, as the College attracted growing student numbers and was able to provide a cost of living increase to staff in the year.

Developments

The College's redevelopment involved tangible fixed asset additions during the year amounting to £5,291k (2023: £1,253k). This was split between refurbishment costs (mainly the creation of dedicated T-Level spaces at Barnet and Southgate campuses) of £3,222k, and equipment purchased of £2,115k, again mainly to facilitate the delivery of T-Levels.

Reserves

The College has accumulated reserves of £52.0 million and cash and short-term investment balances of £12.0 million, allowing for additional funds received in year in relation to capital grants not yet spent. The College wishes to accumulate reserves and cash balances to create a contingency fund and to continue its programme of investment in facilities for students and in staff capacity and capability.

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24 the FE funding bodies (including GLA) provided 83.9% (2022/23: 83.7%) of the College's total income.

Group companies

The College has one subsidiary company, Minchenden Business Centre Limited. The company has not traded since 31 July 2021 and is in the process of being wound up. Accordingly, the accounts are not consolidated.

FUTURE PROSPECTS

Developments

In line with the emerging 2030 Vision and Strategic Plan, the College has invested in new T-Level facilities at both Barnet and Southgate campuses and continues to invest more widely in its facilities with the aim of increasing student numbers across the College sites. The College will work closely with the local community and businesses to plan courses that meet their needs.

Financial plan

The College Governors approved a financial plan in July 2024 which sets objectives for the period to 2026.

Treasury policies and objectives

The College has treasury management policy and arrangements in place to manage cash flows, banking arrangements and the risk associated with those activities. All borrowings require the authorisation of the Board of Governors and ESFA under MPM reporting.

Cash flows and liquidity

At £0.4m (2022/23 £5.0m) net cash inflow from operating activities and total cash and deposits of £12.0m (2022/23 14.1m), the College has sufficient liquidity to pay for its current liabilities.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this margin was comfortably exceeded. Borrowing in the form of bank loans reduced to £12.3m (£13.2m in 2022/23).

Reserves

The College has approved a formal Reserves Policy that recognises the importance of reserves in the financial stability of the College and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve stands

at £42.2million (2023: £39.0 million). It is the Board of Governors' intention to provide reserves for reinvestment through the generation of annual operating surpluses.

Going Concern

There is an increase in the number of 16-18 year olds enrolled for 2024/25, this will impact the funding in 2025/26 with a potential increase in funding of around £2m. The College forecasts that banking covenants can be complied with in 2024/25. The cashflow forecast for the next 12 months and beyond remains strong and shows the college will be able to pay its debt as it falls due.

After making appropriate enquiries, the Board of Governors considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Post Balance Sheet Event

Tudor Hall, a Grade II listed building adjacent to the Barnet campus was put up for sale in November 2023 after receiving a single enquiry for a leasing option. Based on estimated value of sale, no impairment provision needs to be made. A buyer has since been found and final arrangements for sale are in hand at the date of this report.

A parcel of land at the rear of the Barnet campus, adjacent to Elm Road, has also been sold subject to contract.

As mentioned above, the winding up of Minchenden Business Centre Ltd is agreed and expected to be finalised shortly after the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

During 2023/24 the College has further embedded its risk management practices, building on the progress made in 2022/23.

The Audit & Risk Committee has responsibility for the oversight of risk management processes and met on 20th September, 15th November, 6th February, 23rd April and 9th July during 2023/24. The considerations of the Audit & Risk Committee relating to risk were reported to the Board by the Committee Chair.

The revised Corporate Risk Register was reviewed and amended by the Executive Leadership Team regularly throughout the year and presented to Audit & Risk Committee meetings for discussion and feedback. The risk register now includes mapping of sources of assurance against each key risk.

As well as the raw risk score mitigated by existing controls, the risk register focuses on the ongoing actions to reduce the risk further to a target level. The actions have an owner and a due date and together form the Risk Action Plan. The board also considered the College's Risk Appetite and how this relates to the Target Risk level for each of the Corporate level risks.

The Corporate Risk Register is dynamic and risks have been added, removed and adjusted during the year, in consultation with the Audit & Risk Committee.

Main Risks identified through the Risk Register	Mitigated Score	Key Mitigating Actions
Failure to sustain high quality learning and student experience resulting in poor outcomes for students and poor categorisation of the college by funders and regulators e.g. Ofsted.	Medium	Performance management by the college SLT of a comprehensive QIP developed from a robust SAR Comprehensive scrutiny and challenge by ELT and QTSE An intensive care methodology (Performance Clinic) Staff development and support activity focused on consistent

Main Risks identified through the Risk Register	Mitigated Score	Key Mitigating Actions
		<p>quality improvement, tracked and monitored through College IP</p> <p>Quality-related KPIs and subsequent actions reviewed at SLT, ELT and Board</p> <p>Scrutiny and review of curriculum-level quality improvement plans</p>
<p>The College fails to meet and maintain regulatory requirements in respect of funding, finance, quality and partnerships resulting in external intervention.</p>	Medium	<p>Established processes in MIS - data and Exams departments</p> <p>Quality assurance procedures</p> <p>Annual internal audit</p> <p>Annual external audit of Partnership compliance and sub-contracting assurance</p> <p>Partnership Register established and maintained</p> <p>Annual Reporting to Board on OfS Compliance</p> <p>Appointment of new Exams management team</p> <p>Subcontracting certificate is current and valid</p>
<p>Failure to sustain high quality student experience resulting in declining learner numbers, lower student satisfaction and complaints to regulators.</p>	Low	<p>Close monitoring of College QIP by ELT/SLT and QTSE with specific attention to Personal Development and Behaviour and Attendance</p> <p>Board and QTSE engagement with student voice</p> <p>Student services team actively develop and promote increased engagement in enrichment activities and produce bi-annual action / impact report for ELT</p> <p>Enrolment review group</p> <p>Provision of industry placements</p> <p>Tutorial actively promotes personal development and positive behaviour and attention as well as being a further opportunity for student voice</p>
<p>The College is unable to deliver EBITDA to cover its loan obligations and invest in and develop the College, its curriculum and its staff</p>	Low	<p>Regular review of Medium Term Financial Position at Finance Committee</p> <p>Annual planning is undertaken in a timely fashion to inform budgeting, with a clear focus on curriculum efficiency and financial contribution</p> <p>Scenario and sensitivity analysis incorporated in Budget and Management Accounts</p> <p>Early reconciliation of learner numbers with staffing requirement</p> <p>Strong staffing request mechanism overseen by SLT and ELT</p>
<p>Significant safeguarding failure resulting in harm to a student that could have been averted through action by the college</p>	Low	<p>Identifying emerging national issues and trends</p> <p>Monitoring in year by QTSE and SLT underpinned by a safeguarding framework</p> <p>Monthly review / update between DSO and CEO / DP QSE</p> <p>QTSE frequent scrutiny</p> <p>Board scrutiny of safeguarding</p> <p>Frequent case review meetings</p>

Main Risks identified through the Risk Register	Mitigated Score	Key Mitigating Actions
Major ICT failure that compromises college delivery due to lack of investment, maintenance, or security - including data security	Low	<p>Retained JISC membership and support following review of services</p> <p>Cyber Essentials and externally validated program of cyber tests in place (e.g Phishing Test November 2024)</p> <p>ICO data protection protocols in place</p> <p>Revised Business Continuity plan developed and shared with the Audit Committee</p> <p>Effective, mitigating controls remain in place including requisite internal and external assurance.</p> <p>MFA for students, hardening M365, enhance firewalls, optimize backups etc. Budget agreed for 2024/25</p> <p>Cyber Security Report to Audit and Risk Committee July 2024</p>
An accident or health and safety breach results in serious injury or death of students, staff or visitors	Low	<p>Established mechanisms to review H&S policy, incidents, learning and best practice (EDCS Qualified H&S lead officer in place)</p> <p>Additional resources in H&S team including trainee H&S Officer and permanent Head of H&S</p> <p>Planned and targeted training and testing of procedures</p> <p>Statutory Health & Safety Committee</p> <p>HaSTU – walkabouts</p> <p>Additional physical checks on high-risk areas in consultation with Health & Safety Committee Identification and reporting of RIDDOR Accidents</p> <p>First Aid & Fire Warden rotas by campus</p> <p>Planned Preventative Maintenance programme (EDCS via contractor) Mandatory H&S Training and induction improved (EDCS)</p> <p>TU Representatives meet Head of H&S monthly to review accidents and other Incidents</p>

KEY PERFORMANCE INDICATORS

Key performance Indicator	Measure/Target	Actual for 2023/24
Student number targets (16-18)	2,961	3,129
Student overall achievement	85%	83.8%
Operating Surplus (Deficit)/EBITDA as % of income	9.26%	10.93%
Ofsted rating	Good	Good

Student achievements

The overall achievement rate was 83.8% (83.2% for 2022/23). It is clear from the College's self-assessment report that retention on some 2-year Level 3 programmes is contributing to the overall achievement and the in-year evidence in 2024/25 shows significant improvement in this moving forward. Progression for 2023/24 was a strength and most students moved into employment, further or higher education after they completed their College course.

OTHER INFORMATION

Equality

The College is committed to ensuring equality of opportunity for all its learners, 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. We have a zero tolerance of discrimination, harassment or bullying of any kind. This policy is monitored and reviewed on an annual basis. The College's Equality, Diversity and Inclusion Policy is published on the College's Intranet and website.

The College publishes an Annual Equality, Diversity and Inclusion Report and three yearly Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Positive about Disabled People' employer 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's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The Single Equality Scheme (Disability Statement)

The College's Single Equality Scheme contains a statement on Disability as follows:

The College recognises that people with disabilities, learning difficulties and mental health needs experience discrimination within society.

Within three years, we want to take substantial and concrete steps to challenge this and to help ensure fairness and equality of access to all aspects of college life. We will:

- actively oppose stereotyped responses to disabled people and work to promote a positive and inclusive environment in relation to education, training and employment in every area of college life
- ensure that students with learning difficulties, disabilities or mental health needs are an integral part of the College community and share fully in a positive ethos and culture of celebrating success
- continue to provide high quality learning through our specialist LLDD Centre of Excellence
- ensure that there is access to all learning and wider College facilities within the framework of the relevant legislation
- ensure that harassment or bullying of students with learning difficulties, disabilities or mental health needs is not tolerated in any area of college life. Any such behaviour will be challenged through appropriate College procedures
- make reasonable adjustments to enable the employment of staff with disabilities or mental health needs on equal terms and conditions with all other staff
- ensure that staff and students from a representative range of learning difficulties, disabilities or mental health needs have full opportunity to impact on college policy and procedure
- continue to work within the principles of the Mindful Employer Charter
- ensure that employment policies and procedures will reflect this position statement.

The Board of Governors aims to ensuring a diversity of make-up, so that its membership reflects the community that the college serves.

Gender pay gap reporting

	For year ended 31 March 2024
Mean gender pay gap	7.41
Median gender pay gap	6.88

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

	Females	Males
1 – Lower quartile	66.42%	33.58%
2	79.10%	20.90%
3	68.15%	31.85%
4 – Upper quartile	61.94%	38.06%

In common with most educational institutions, the College has a higher percentage of females within the workforce overall and across all quartiles. There is a greater percentage of females within the lower quartile. These roles are predominantly business support roles and there is a higher proportion of part time roles in the lower and lower middle quartiles. Overall within the College, there is a larger percentage of women than men in part time positions.

Staff involvement

The Board of Governors considers good communication with its staff to be very important. As such, several communication methods are in operation to ensure that information flows throughout the organisation. A range of communication methods have been implemented and discussed with staff to ensure regular and relevant communication flows within the organisation.

Communication methods currently in use include:

- weekly management meetings held with all Heads of Centre to communicate key messages from the Executive Leadership Team for cascading to teams.
- regular email updates and/or video messages from the CEO and the other members of the Executive Leadership Team.
- Regular middle management meetings of both Academic and Business Support managers, with a view to information being cascaded down to teams via regular team meetings.
- regular departmental team meetings.
- termly all staff briefings; half termly meetings with recognised trade unions.
- H&SW Committee meetings with managers and recognised trade unions.
- monthly organisational development Committee meetings with representatives from each department; and
- a staff intranet site.

The information flow and methods of communication have been publicised to all staff to encourage engagement and feedback and are under regular review.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College

Numbers of employees who were provided with union facility time arrangements in the relevant period	13 (all between 1-50% of time)
FTE employee number	1.75FTE in total (based on remission time given)
Total cost of facility time	£73k
Total pay bill	£24.2m
Percentage of total bill spent on facility time	0.30%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires Colleges, in the absence of agreement to the contrary, to make payment to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2023 to 31 July 2024, the College paid 15% of its invoices within 30 days and 84% within 60 days.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 13 February 2025 and signed on its behalf by:



Adam Goldstein

Chair of the Corporation

13 February 2025

Statement of Corporate Governance and Internal control**Governance Statement**

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

Governance Code

The College endeavours to conduct its business:

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

In the opinion of the Governors, the College complies with all the mandatory provisions of the Code, and it has complied throughout the year ended 31 July 2024. The opinion is based on an internal review of compliance with the Code and an external review of Governance undertaken during the Autumn term of 2023.

The Governing Body recognises that, as a body entrusted with public and private funds it has a particular duty to always observe the highest standards of corporate governance. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the AOC which is periodically updated. The Board has formally adopted the Code.

Members of the Corporation (Board of Governors)

The Governors who served on the Board during the year and up to the date of signature of this report were as listed below. Membership of task and finish Groups is not included.

Name	Date of Appointment & Reappointment	Term of Office	Resignation	Status of Appointment	Attendance*
Alessandra Almeida-Jones	1/9/2019 1/9/2023	4 years To 30/4/2024	30/4/2024	External	2 out of 3
Alex Middleton	29/6/2021	4 years		External	3 out of 5
Mark Taylor	14/5/2022	4 years		External	5 out of 5
Imelda Galvin	1/9/2019 1/9/2023	4 years To 30/4/2024	30/4/2024	External (Vice Chair until 30/4/2024)	2 out of 3
Adam Goldstein	27/4/2020 27/4/2024	4 years 2 years		External (Chair of Board)	4 out of 5
Darren Mephram	06/1/2019	Ex-Officio	31/1/2024	Chief Executive and Accounting Officer	1 out of 2
Neil Coker	1/2/2024	Ex-Officio		CEO & Principal and Accounting Officer	3 out of 3
Cait O'Riordan	10/12/2020 10/12/2024	4 years 1 year		External	3 out of 5
Hannah Sheath	29/6/2021	4 years		External	1 out of 5
Jenny Jarvis	28/1/2021 28/1/2025	4 years 4 years		External (Vice Chair from 1/5/2024)	5 out of 5
Diane Moore	13/10/2022	4 years			5 out of 5
Thomas Streater	15/12/2022	4 years			5 out of 5
Daniel Yilmaz	16/3/2023	To 31/7/2024	31/07/2023	Student	1 out of 5
Rouzbeh Faramarzian	13/10/2022	4 years	31/1/2024	External	0 out of 2
Sue Baker	24/1/2022	2 years	9/12/2024	Staff	5 out of 5
Chalene Scott	24/1/2022	2 years Extended to 24/1/2026		Staff	3 out of 5
Adam Morley	17/10/2023	4 years		External	4 out of 4
Tulay Rashid-Grant	17/10/2023	4 years		External	3 out of 4
Elita Eliades	17/10/2023	4 years	4/12/2024	External	3 out of 4
Dominic Abbott	17/10/2023	4 years		External	4 out of 4
Simran Macias	1/11/2023	To 31/7/2024 Extended to 31/7/2025		Student	2 out of 4
Phil Harding	1/7/2024	4 years		External	1 out of 1
Tara Jayaratne	1/7/2024	4 years		External	1 out of 1
Rebecca Willis	1/9/2024	4 years		External	N/A
Chaquelle Boothe	1/10/2024	To 31/7/2025		Student	N/A

* Attendance is expressed per scheduled Board meeting

Director of Governance was Maxine Bagshaw

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

Governance framework

The Board is provided with regular and timely information on the overall financial performance of the College. This includes reports to Finance Committee and Board alongside monthly management accounts which are circulated outside of the meeting schedule highlighting any key changes as they arise. Other information provided includes performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Board looks after student interests through the receipt of timely student feedback and is developing a strategy to increase engagement with learners, this includes termly meetings with students on key themes and reports from student governors. The Board scheduled five meetings during 2023-24 and had one strategic away day.

The board has operated a committee system with the following committees:

- Audit and Risk
- Finance
- Quality, Teaching and Student experience
- Search and Governance
- Remuneration and appraisal
- People

The Board also has a Property Strategy Steering Group whose remit is to oversee successful implementation of the Property Strategy approved in March 2023.

Full minutes of Board meetings, except those deemed to be confidential by the Corporation, are available from the College website (barnetsouthgate.ac.uk) and or from Director of Governance at the College's registered address.

The Board of Governors and its Committees continued to meet on a hybrid basis which includes a mix of video conferencing and on-site attendance. This allows them to perform their statutory duties without interruption or hindrance.

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 can 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 Board 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 Board of Governors has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Board 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 Board of Governors

Any new appointments to the Board of Governors are a matter for the consideration of the Board as a whole. The Board has a Search Committee, which in 2023/24 consisted of four Governors, which is responsible for the selection and nomination of any new governor for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required.

During the period 2023-24, the Board appointed six new external Governors on the advice of the Search Committee. Term of office for one student governor was extended. In the period 1st August 2024 to the date of signing the accounts the Board has appointed one new external governor and a second student governor.

Governors are appointed for a term of office not exceeding four years and, having regard to the recommendations made in the AoC Code of Good Governance in English Colleges, no more than eight years will normally be served by members unless in exceptional circumstances.

College Performance

The governing body reviews its performance and that of its committee annually, reviewing skills gaps and identifying areas for improvement. An external independent governance review was completed by Shirley Collier MBE in November 2023 and the outcome reported to governors in December 2023. The action plan was completed by July 2024. Area for developmental consideration included:

- Structures and processes
- People and attributes
- Board culture and governors' interactions, and
- Board impact, outcomes and effectiveness

Governors attended a comprehensive Safeguarding and Prevent Training held by the College Designated Safeguarding Lead in 2023-2024 after completion of the College mandatory online training courses. Governors were encouraged, by the Chair to undertake individual CPD courses across the year to develop their understanding of governance and to inform them on the seriousness of their roles and responsibilities. The Director of Governance attended AoC Clerk's network conferences and Education Training Foundation briefings.

Remuneration and Appraisal Committee

Throughout the year ended 31 July 2024, the Board's Remuneration and Appraisal Committee comprised four external Governors, including the Chair and Vice-Chair of the Board. The Committee Chair was not the chair of the Board. The Committee's responsibilities are to review the performance of the Accounting Officer, other Senior Post Holders and the Director of Governance, to conduct appraisals, set targets/objectives and determine appropriate salary levels and to advise the Board accordingly.

The Board of Governors has adopted the AOC's Senior Staff Remuneration Code and publishes an annual Remuneration report in line with the Code.

Details of remuneration for the year ended 31 July 2024 are set out in note 7 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee terms of reference provide that it will comprise of a minimum of three external governors and may co-opt up to two members who are not governors. The Accounting Officer, the Chair of the Board, and staff and student governors are not eligible to be members. The Committee operates in accordance with written Terms of Reference which comply with the requirements of the Post 16 Accounting Code of Practice and are reviewed annually and approved by the Board.

The Audit and Risk Committee meets on at least 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 should they feel it is required. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

Name	Audit & Risk Committee
Alex Middleton	5 out of 5
Diane Moore (Chair)	4 out of 5
Rouzbeh Faramarzian	1 out of 2
Thomas Streater	3 out of 3
Adam Morley	2 out of 3

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 and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations. Progress on these is reported to the Committee, and internal audit undertakes periodic follow-up (at least annual) reviews to ensure such recommendations have been implemented.

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

The Committee advises the Board on the College's arrangements for risk management and for securing economy, efficiency and effectiveness (value for money). The Committee also oversees the Board's policies on fraud, irregularity and whistleblowing and ensures that all allegations of fraud or irregularity are properly followed up and that investigation outcomes are reported to the auditors and funding body as appropriate. During the academic year 2023/24, the Audit and Risk committee met on 4 separate occasions.

Internal Control

Scope of responsibility

The Board 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 Board has delegated the day-to-day responsibility to the Chief Executive, 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 him in the Funding Agreement between Barnet and Southgate College and the funding bodies. He is also responsible for reporting to the Board 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 on-going 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 Barnet and Southgate 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 Board is (and has been through the year) aware of the main risks (finance, quality, growth and industrial relations) facing the College and the actions that are in place. The Board is of the view that there is a regular review of the College's strategic risks by the Executive Leadership Team for the period ended 31 July 2024 and up to the date of approval of the annual report and accounts. Risk Management arrangements are reviewed by the Board through the Audit & Risk Committee.

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 Board of Governors
- Regular reviews by the Board of Governors 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 formal project management disciplines, where appropriate.

The College engages an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board of Governors on the recommendation of the Audit & Risk Committee. In addition to regular reports to Audit & Risk Committee, the internal auditor provides the Board of Governors with an annual report on internal audit activity in the College. The report includes the service provider's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation and significant control weaknesses identified

The Corporation identifies, evaluates and manages risk based on key risks identified in context of its strategic priorities using the Corporate Risk Register. The Executive Leadership Team regularly reviews and amends the register throughout the year. The register includes mapping of sources of assurance against each key risks. The headline key risks identified in the year were failure to sustain high quality of student learning and experience, financial sustainability, safeguarding failure, ICT failure, health and safety breaches

The principal risks faced by the Corporation and the mitigations put in place are described in the section 'Principal Risk and Uncertainties' on pages 7 to 9.

Control Weaknesses identified

During the 2023/24 academic year the internal audit service completed eight audit assignments and one follow-up audit of previous recommendations. They assigned four 'significant' assurance opinions, four 'reasonable' assurance opinions and concluded that 'limited progress' had been made in the implementation of prior year Internal Audit recommendations.

There were no high risk recommendations during 2023/24.

There were seven medium risk recommendations in the areas of Classroom based funding assurance, Staff satisfaction, management Information, Examinations and assessments and Student satisfaction.

There were two medium risk recommendations in relation to classroom-based funding:

- Where full fee remission is being granted on the basis of low income, the College should ensure that evidence is retained to support the fee remission claim, and
- College to review whether the final page of the Learning Agreement can be enhanced to capture the date that the College signed the document.

The medium risk recommendation in relation to staff satisfaction was to create a full plan regarding delivery of communications to staff.

The medium risk recommendation in relation to management information was to ensure that source data is retained and sampled to support the accuracy of data included within KPI reports.

There were two medium risk recommendations in relation to student satisfaction. These were:

- Complaints log to be enhanced to include agreed additional information and any complaints that carry over into future years are recorded and updated until they are closed, and
- reminder information to be sent to staff setting out complaint processes and expectations. Any overdue responses to be tracked and investigated with escalation to the Executive Learning department as needed.

The medium recommendation in relation to examinations and assessments was for the College to investigate if a report can be run from the MLE system to show each department that incurred late examinations fees and the value of these. If this is possible, then introduce processes to disseminate this information regularly so as to improve the position.

Responsibilities under funding agreements

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

The College has met its contractual responsibilities under funding agreements with the ESFA and Greater London Authority by providing regular and accurate reporting through Individualised Learner Records (ILR) and other returns as required. Any funding claims made are based on the funding agreement.

Statement from the Audit & Risk Committee

The Audit & Risk Committee has advised the Board of Governors that the corporation has an adequate framework for governance and internal control in place.

The Committee considers that the College's Internal and External Audit arrangements are operating effectively and that they are adequate, both in terms of resource input and the scope of the work, to provide assurance on the key risks facing the College.

The specific areas of work undertaken by the Audit Committee in 2023/24 and up to the date of the approval of the financial statements included the following.

- The Internal Audit Strategy update and operational plan for 2023-24 was agreed by the Audit Committee on 20 September 2023. Although the intention had been to complete all the work included in the plan by the end of academic year, the 22/23 actions follow up report remained outstanding and was considered by the Committee at its meeting on 26 November 2024. One planned audit area was deferred to the 2024/2025 academic year and the report in relation to this was considered on 26th November 2024. Audits focused on student satisfaction, management information, lecturer deployment and room utilization, financial planning, budgetary control and cashflow, examinations and assessments, funding assurance for apprenticeship provision and classroom based learning and HR – Staff satisfaction. Of the audits completed in 2023-24, seven were assurance based and of these, four were rated 'green', four 'amber' and one 'red'. The Internal Auditors gave a reasonable assurance opinion in their annual report.
- The IAS conducted one Follow Up audit during the year, reviewing the status of 36 recommendations made in 2022-23. Of these, 9 recommendations were verified as implemented or superseded and 10 remained in progress. 9 were not yet implemented. The auditors considered that there was no evidence available as yet to assess the status of the remaining 8 recommendation.

- A confirmation from the auditors that their opinion on the Financial Statements and their assurance report on Regularity would both be unqualified, except for one item of note with regard to regularity.
- The Committee discussed and recorded its assessment of the performance of the external and internal audit providers at its September meeting. The performance of both providers was judged as good, with most of the performance criteria being met.
- The Committee is responsible for ensuring the College's risk management arrangements are adequate and effective and that appropriate action is taken to mitigate risks. The Committee is of the view that there is an adequate risk management arrangement in the College.

Review of effectiveness

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

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

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

The Executive Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive Leadership Team and the Audit & Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes a regular report on risk and control from the Audit & Risk Committee and the Executive Leadership Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its February 2025 meeting, the Audit & Risk Committee carried out the annual assessment of risk and internal control for the year ended 31 July 2024 by considering documentation from the Executive Leadership Team and internal audit and taking account of events since 31 July 2024.

Based on the advice of the Audit & Risk Committee and the Accounting Officer, the Board is of the opinion that the College's framework for governance, the management of strategic risks and internal control is adequate, and that the Board has fulfilled its statutory responsibility for "effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Approved by order of the members of the Corporation on 13 February 2025 and signed on its behalf by:



Adam Goldstein
Chair of the Board of Governors



Neil Coker
Accounting Officer

Statement of Regularity, Propriety and Compliance

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

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify during the year, the college failed to comply with the guidance provided by Managing Public Money and by College requirements to maintain control account reconciliations consistently throughout the year, although further procedures served to limit the potential exposure to misstatement in the management accounts, and those reconciliations have now been reinstated.

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



Neil Coker
Accounting Officer
13 February 2025

Statement of the Chair of Governors

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



Adam Goldstein
Chair of the Board of Governors
13 February 2025

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

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

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

The corporation is responsible for the maintenance and integrity of its website(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 sized guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In

addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on 13 February 2025 and signed on its behalf by:

A handwritten signature in dark ink, consisting of a stylized, sweeping line that starts with a small loop and ends with a long, horizontal stroke.

Adam Goldstein, Chair of the Board of Governors

Independent Auditor's Report to the Corporation of Barnet and Southgate College

Opinion

We have audited the financial statements of the Corporation of Barnet and Southgate College (the 'College') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the 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 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 College's affairs as at 31 July 2024 and the College's income over expenditure for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Governing Body'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Governors 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 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

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

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The College's grant and fee income, as disclosed in note number 2 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

Responsibilities of the Governing Body

As explained more fully in the Statement of Corporation Responsibilities on page 22 the Members of the Governing Body 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 Governing Body 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 Governing Body is 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 Governing Body either intends to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor 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:

- Obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the College operates in and how the College is complying with the legal and

- regulatory frameworks;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Gaining an understanding of the control environment and observing processes in place;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter. Our audit work has been undertaken so that we might state to the Governing Body 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 14/02/2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Independent Reporting Accountant's Assurance Report on Regularity

To: The corporation of Barnet and Southgate College and Secretary of State for Education, acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 20 November 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Barnet and Southgate College during the period 1 August 2023 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 ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of Barnet and Southgate College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 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 ESFA. We performed a limited assurance engagement as defined in that framework.

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

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 corporation'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, except the matters listed below, 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, that the financial transactions do not conform to the authorities that govern them.

- **Matter 1 – Internal Control Framework Deficiencies**
In the period February 2024 to July 2024, the College failed to comply with the guidance provided by Managing Public Money and by college requirements in relation to having robust internal controls in place over relevant account reconciliations. Control account reconciliations were not prepared consistently for bank, payroll, debtors and creditors in the period February 2024 to July 2024. This is in breach of the financial management requirements for colleges.



MHA

Chartered Accountants
London, United Kingdom

Date: 14/02/2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

Barnet and Southgate College
Statement of Comprehensive Income and Expenditure
For the Year ended 31 July

	Notes	2024 £'000	2023 £'000
INCOME			
Funding body grants	2	38,719	36,154
Tuition fees and education contracts	3	6,458	5,812
Other grants and contracts	4	145	400
Other income	5	433	737
Endowment and investment income	6	394	85
Total income		46,149	43,188
EXPENDITURE			
Staff costs	7	27,389	24,667
Other operating expenses	8	14,526	13,800
Depreciation	11	3,134	3,159
Interest and other finance costs	9	1,257	1,444
Total expenditure		46,306	43,070
(Deficit)/surplus before other gains and losses		(157)	118
Profit on disposal of assets	11	2	-
(Deficit)/surplus before tax		(155)	118
Taxation	10	-	-
(Deficit)/surplus for the year		(155)	118
Actuarial gain in respect of pensions schemes		3,178	5,663
Total comprehensive income for the year		3,023	5,781

Barnet and Southgate College
Statement of Changes in Reserves
For the Year ended 31 July

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1st August 2022	33,037	10,065	43,102
Surplus/(deficit) from the income and expenditure account	118	-	118
Other comprehensive income	5,663	-	5,663
Transfers between revaluation and income and expenditure reserves	203	(203)	-
Total comprehensive income for the year	5,984	(203)	5,781
Balance at 31st July 2023	39,021	9,862	48,883
Balance at 1st August 2023	39,021	9,862	48,883
Surplus/(deficit) from the income and expenditure account	(157)	-	(157)
Other comprehensive income	3,180	-	3,180
Transfers between revaluation and income and expenditure reserves	202	(202)	-
	3,225	(202)	3,023
Balance at 31st July 2024	42,246	9,660	51,906

**Barnet and Southgate College
Balance Sheet as at 31 July**

	Notes	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	11	87,199	85,042
Investments	12	-	-
		<u>87,199</u>	<u>85,042</u>
Current assets			
Stocks		-	-
Trade and other receivables	13	1,917	860
Investments	14	4,000	6,178
Cash and cash equivalents	21	8,020	7,842
		<u>13,937</u>	<u>14,880</u>
Less: Creditors – amounts falling due within one year	15	(6,944)	(7,833)
Net current assets		<u>6,993</u>	<u>7,047</u>
Total assets less current liabilities		94,192	92,089
Less: Creditors – amounts falling due after more than one year	16	(40,408)	(37,950)
Provisions			
Defined benefit obligations	20	(1,326)	(4,719)
Other provisions	20	(553)	(537)
Total net assets		<u>51,906</u>	<u>48,883</u>
Unrestricted reserves			
Income and expenditure account		42,246	39,021
Revaluation reserve	19	9,660	9,862
Total unrestricted reserves		<u>51,906</u>	<u>48,883</u>
Total reserves		<u>51,906</u>	<u>48,883</u>

The financial statements on pages 29 to 50 were approved and authorised for issue by the Corporation on 13th February 2025 and were signed on its behalf on that date by:



Adam Goldstein
Chair of the Corporation



Neil Coker
Accounting Officer

Barnet and Southgate College
Statement of Cash Flows
For the Year ended 31 July

	Notes	2024 £'000	2023 £'000
Cash inflow from operating activities			
Surplus/(deficit) for the year		(155)	118
Adjustment for non cash items			
Depreciation		3,134	3,159
(Increase)/decrease in debtors		(1,057)	390
Increase/(decrease) in creditors due within one year		(1,002)	829
Increase/(decrease) in other provisions		-	145
Pensions costs less contributions payable		(446)	(43)
Deferred capital grants released to income		(954)	(914)
Adjustment for investing or financing activities			
Investment income		(394)	(85)
Interest payable		1,257	1,444
(Profit)/Loss on sale of fixed assets		(2)	-
Net cash flow from operating activities		381	5,043
Cash flows from investing activities			
Proceeds from sale of fixed assets		2	-
Investment income		394	85
Withdrawal of deposits		2,178	(2,086)
Deferred capital grants received		4,426	4,283
Payments made to acquire fixed assets		(5,291)	(1,253)
		1,709	1,029
Cash flows from financing activities			
Interest paid		(1,010)	(1,108)
Repayments of amounts borrowed		(902)	(825)
		(1,912)	(1,933)
Increase / (decrease) in cash and cash equivalents in the year		178	4,139
Cash and cash equivalents at beginning of the year	21	7,842	3,703
Cash and cash equivalents at end of the year	21	8,020	7,842

Barnet and Southgate College Notes to the Financial Statements

For the Year ended 31 July

1 Principal accounting policies

Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2018 to 2019 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

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

Basis of accounting

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

Basis of consolidation

The College has one subsidiary, Minchenden Business Centre Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of Minchenden Business Centre Limited have not been consolidated into these financial statements on the grounds of materiality and therefore, these financial statements are those of the College and not the Group. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities and currently does not have a student union.

All financial statements are made up to 31 July 2024.

Going concern

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

The College currently has £12.29m of loans outstanding with bankers on renewed terms negotiated in June 2021 (see note 17). The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and the renegotiated covenants for the foreseeable future.

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 annual financial statements.

Recognition of income

Revenue grant funding

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

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

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

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

Capital grant funding

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

Barnet and Southgate College Notes to the Financial Statements (continued)

For the Year ended 31 July

1 Accounting policies (continued)

Recognition of income (continued)

Fee income

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

Investment Income

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

Agency arrangements

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

Accounting for post-employment 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 plans, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Barnet 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

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

Short term employment benefits

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

Enhanced pensions

The actual cost of any enhanced continuing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the continuing pension of a former member of staff is charged in full to the college's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Termination Benefits

Termination benefits are recognised when management commits to a detailed plan of termination and communicates it to affected employees. The liability is measured at the present value of expected future payments and disclosed in the financial statements.

Non-current assets - tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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 reserve on an annual basis.

Barnet and Southgate College Notes to the Financial Statements (continued)

For the Year ended 31 July

1 Accounting policies (continued)

Building improvements and additions made since July 2000 are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold and leasehold buildings are depreciated over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 50 years.

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. 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.

Land and buildings acquired between incorporation and July 2000 are included at a frozen valuation on adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1994, 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 in use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase 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:

- 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
- Market value of the fixed asset has subsequently improved

Equipment

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

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

- equipment – 5 years
- motor vehicles – 4 years
- computer equipment and softwares – 5 years
- furniture, fixtures and fittings – 10 years

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.

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Investments

Investment in subsidiaries 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, a provision is made for obsolete, slow moving and defective stocks.

Taxation

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

Barnet and Southgate College Notes to the Financial Statements (continued)

For the Year ended 31 July

1 Accounting policies (continued)

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Foreign currency translation

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

Provisions and contingent liabilities

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit 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 26, 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.

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July

2 Funding council grants	2024 £'000	2023 £'000
Recurrent grants		
Education and Skills Funding Agency - Adult	1,293 }	
Greater London Authority - Adult	15,856 }	14,963
Education and Skills Funding Agency – 16 -18	19,066	18,750
Education and Skills Funding Agency - Apprenticeships	609	742
Office for Students	87	86
Specific grants		
Teachers pension scheme contribution grant	784	699
LSIF	70	-
Releases of government capital grants	954	914
Total	38,719	36,154
3 Tuition fees and education contracts	2024 £'000	2023 £'000
Adult education fees	445	274
Fees for FE loan supported courses	145	220
Fees for HE loan supported courses	779	935
International students fees	128	47
Total tuition fees	1,497	1,476
Education contracts	4,961	4,336
Total	6,458	5,812
4 Other grants and contracts	2024 £'000	2023 £'000
European Commission	145	342
Other grants and contracts	-	58
Total	145	400
5 Other income	2024 £'000	2023 £'000
Other income generating activities	433	737
Total	433	737
6 Investment income	2024 £'000	2023 £'000
Other investment income	394	85
Other interest receivable		
Total	394	85

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
7 Staff costs

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

	2024	2023
	No.	No.
Teaching staff	263	242
Non teaching staff	375	286
	638	528

Staff costs for the above persons

	2024	2023
	£'000	£'000
Wages and salaries	18,708	16,820
Social security costs	1,852	1,672
Other pension costs	3,681	3,873
Payroll sub total	24,241	22,365
Contracted out staffing services	3,054	2,248
	27,295	24,613
Restructuring Costs		
Contractual	94	54
Total	27,389	24,667

The Corporation has cycle to work and child care vouchers salary scheme arrangements in place.

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 Executive Leadership Team which comprises the Chief Executive Officer, College Principal, Executive Director of Corporate Services and Executive Director of Employer Partnerships. Staff costs include compensation paid to key management personnel for loss of office.

Emoluments of key management personnel, Accounting Officer and other higher paid staff	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	5	4

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
7 Staff costs (continued)

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employers 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	-	-	5	5
£65,001 to £70,000	-	-	7	5
£70,001 to £75,000	1	-	-	2
£75,001 to £80,000	-	-	1	-
£80,001 to £85,000	-	-	1	-
£85,001 to £90,000	-	-	-	1
£105,001 to £110,000	-	1	-	-
£110,001 to £115,000	-	-	1	-
£115,001 to £120,000	-	1	-	-
£120,001 to £125,000	1	-	-	-
£130,001 to £135,000	1	-	-	-
£135,001 to £140,000	-	1	-	-
£160,001 to £165,000	1	-	-	-
£175,001 to £180,000	-	1	-	-
£190,001 to £195,000	1	-	-	-
	<u>5</u>	<u>4</u>	<u>15</u>	<u>13</u>

Key management personnel compensation is made up as follows:

	2024 £'000	2023 £'000
Salaries - gross of salary sacrifice and waived emoluments	686	538
Payment in lieu of notice	94	-
Pension contributions	100	117
Total emoluments	<u>880</u>	<u>655</u>

There were no amounts due to key management personnel that were waived in the year.

The above compensation includes amounts payable to the Chief Executive Officer who is the Accounting Officer who is also the highest paid member of staff. In 2023/24 this role transferred from Darren Mephram to Neil Coker. Their pay and remuneration is as follows:

	2024 £'000	2023 £'000
Darren Mephram (resigned January 2024) - Salary	97	175
Payment in lieu of notice	94	-
Pension contributions	20	38
	<u>211</u>	<u>213</u>
Neil Coker (from February 2024) - Salary	90	NA
Pension contributions	23	NA
	<u>113</u>	<u>NA</u>

The governing body adopted AoC's Senior Staff remuneration Code in July 2019 and assesses pay in line with its principles.

The remuneration package of key management staff, including the Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The remuneration committee assesses the corporation's performance against KPI's and the attainment of the students in the year, as well as the progress against College's long term strategic objectives when reviewing the remuneration package of the key management personnel, including the Chief Executive. Qualitative measures of success, such as level of engagement of the staff and students are considered. The level of pay is benchmarked against the pay of similar colleges in the prior financial year, taken from their financial statements, and the general trend within the sector is also considered.

Relationship of Chief Executive pay and remuneration expressed as a multiple	2024	2023
Chief executive's basic salary as a multiple of the median of staff	6.2	6.0
Chief executive's total remuneration as a multiple of the median of staff	6.4	6.4

Governor Remuneration

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

Barnet and Southgate College
Notes to the Financial Statements (continued)

For the Year ended 31 July

8 Other operating expenses	2024 £'000	2023 £'000
Teaching costs	8,067	7,496
Non teaching costs	2,567	2,813
Premises costs	3,892	3,491
Total	14,526	13,800
Other operating expenses include:	2024 £'000	2023 £'000
Auditors' remuneration:		
Financial statements audit	57	51
Internal audit	33	35
Other services provided by the internal auditors	-	-
Hire of assets under operating leases	67	127
9 Interest payable	2024 £'000	2023 £'000
On bank loans, overdrafts and other loans:	1,010	1,108
Interest on enhanced pension provision	18	
Net interest on defined pension liability (note 26)	229	336
Total	1,257	1,444

10 Taxation

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

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
11 Tangible fixed assets

	Land and buildings		Equipment	Assets in the	Total
	Freehold	Long leasehold		course of construction	
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	108,816	1,280	10,188	46	120,330
Transfer	46	-	-	(46)	-
Additions	1,801	-	2,115	1,375	5,291
Disposals	-	-	-	-	-
At 31 July 2024	110,663	1,280	12,303	1,375	125,621
Depreciation					
At 1 August 2023	26,231	1,107	7,950	-	35,288
Charge for the year	1,904	86	1,145	-	3,134
Elimination in respect of disposals	-	-	-	-	-
At 31 July 2024	28,135	1,193	9,095	-	38,422
Net book value at 31 July 2024	82,528	87	3,208	1,375	87,199
Net book value at 31 July 2023	82,585	173	2,238	46	85,042

Land and buildings which then belonged to Barnet College were revalued at 31st July 1998 on the basis of depreciation replacement cost by CB Hillier Parker Ltd in accordance with guidance issued by the Royal Institute of Chartered Surveyors. Land and buildings which then belonged to Southgate College were revalued at 31st July 1994 on the basis of depreciated cost by the London Borough of Enfield in accordance with guidance issued by the Royal Institute of Chartered Surveyors.

Buildings with a net book value of £24,176k have been partially financed by exchequer funds through the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the LSC and its successor organisations, to surrender the proceeds.

If fixed assets had not been revalued they would have been included at the following historical cost:

	Freehold Land and Buildings
Cost or Valuation	75,401
Aggregate depreciation	(12,132)
Net book value based on cost	<u>63,269</u>

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July

12 Non current investments	2024 £'000	2023 £'000
Investments in subsidiary companies	-	-
Total	-	-

The College owns 100 per cent of the issued ordinary £1 shares of Minchenden Business Centre Limited (MBC Ltd) a company incorporated in England and Wales which is dormant and is being liquidated. This investment was written down to £ nil in 2014. The only asset remaining prior to liquidation is £46k bank balance.

13 Trade and other receivables	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	436	300
Other Debtors	4	17
Prepayments and accrued income	1,477	525
Amounts owed by the ESFA	-	18
Total	1,917	860

14 Current investments	2024 £'000	2023 £'000
Short term deposits	4,000	6,178
Total	4,000	6,178

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

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July

15 Creditors: amounts falling due within one year	2024	2023
	£'000	£'000
Bank loans and overdrafts	974	902
Trade payables	568	370
Other taxation and social security	814	466
Accruals and deferred income	2,286	2,493
Deferred income - government capital grants	954	914
Other creditors	325	1,069
Due to ESFA	1,023	1,619
Total	6,944	7,833

16 Creditors: amounts falling due after one year	2024	2023
	£'000	£'000
Bank loans	11,317	12,291
Deferred income - government capital grants	29,091	25,659
Total	40,408	37,950

17 Maturity of debt	2024	2023
Bank loans and overdrafts	£'000	£'000
Bank loans and overdrafts are repayable as follows:		
In one year or less	974	902
Between one and two years	1,054	973
Between two and five years	3,710	3,425
In five years or more	6,553	7,892
Total	12,291	13,192

A loan facility of £28,395k was entered into by the Corporation on 16 September 2008. As at 31 July 2012, £20,300k had been drawn. Interest on the principal element of the £14,803k loan is fixed at a rate of 8.03% until 24 June 2033 after renewal of terms were agreed in June 2021. The loan is secured on a portion of the freehold land and buildings of the College.

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
18 Deferred capital grants

	Funding Body Grants £'000	Other Grants £'000	Total £'000
At 1 August	23,318	3,255	26,573
Cash received	4,417	9	4,426
Released to income and expenditure	(954)	-	(954)
At 31 July	26,781	3,264	30,045

19 Revaluation reserve

	2024 £'000	2023 £'000
At 1 August	9,862	10,065
Transfer from revaluation reserve to general reserve in respect of: Depreciation of revalued Assets	(202)	(203)
At 31 July	9,660	9,862

20 Provisions

	Defined Benefit Obligations £'000	Enhanced Pensions £'000	Other £'000	Total £'000
At 1 August 2023	4,719	362	175	5,256
Expenditure in the period	229	18		247
Transferred from income and expenditure account	(400)	(46)		(446)
Actuarial loss/(gain) during the year	(3,222)	44		(3,178)
At 31 July 2024	1,326	378	175	1,879

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in note 25.

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

The principal assumptions for this calculation are:

	2024	2023
Price inflation	2.80%	2.80%
Discount rate	4.80%	5.00%

The Other provision of £175k is made in respect of potential liability for holiday pay to part-time staff

21 Analysis of Net Funds (Debt)

	At 1 August 2023 £'000	Cash Flows £'000	Other Changes £'000	At 31 July 2024 £'000
Cash and cash equivalents	7,842	178	-	8,020
Investments	6,178	(2,178)	-	4,000
Bank Loan	(13,193)	902	-	(12,291)
Total Net Funds (Debt)	827	(1,098)	-	(271)

22 Capital commitments

	2024 £'000	2023 £'000
Commitments contracted for at 31 July	-	-
Authorised but not contracted as 31 July	-	-

Barnet and Southgate College
Notes to the Accounts (continued)
For the Year ended 31 July
23 Lease Obligations

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

	2024 £'000	2023 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	58	87
Later than one year and not later than five years	-	53
later than five years	-	-
	<u>58</u>	<u>140</u>
Other		
Not later than one year	23	28
Later than one year and not later than five years	42	-
later than five years	-	-
	<u>65</u>	<u>28</u>
Total lease payments due	<u>123</u>	<u>168</u>

24 Contingent liabilities

No contingent liabilities existed at the end of the accounting period

25 Events after the reporting period

There are no events after the reporting period.

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
26 Defined Benefit Obligations

The College's employees belong to two principal post-employment benefits plan; the Teachers' Pension scheme England and Wales (TPS) for academic and related staff; and the Barnet Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit plans.

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

Total pension cost for the year	2024 £'000	2023 £'000
Teachers Pension Scheme: contributions paid	1,666	1,666
Local Government Pension Scheme:		
Contributions paid	2,242	2,242
FRS 102 (28) charge	<u>(400)</u>	<u>(43)</u>
Charge to the Statement of Comprehensive Income	1,842	2,199
Enhanced pension charge to Statement of Comprehensive Income	62	43
Total Pension Cost for Year	<u>3,570</u>	<u>3,908</u>

Teachers' pension scheme

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

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

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

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

The 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.

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
26 Defined Benefit Obligations (continued)
FRS 102 (28)

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at 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 (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates were set at 28.68% from April 2024 (compared to 23.68% during 2018/9).

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

The pension costs paid to TPS in the year amounted to £2,156,000 (2023: £2,156,000)

Local government pension scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by London Borough of Barnet. The total contribution made for the year ended 31 July 2024 was £2,524,000, of which employer's contributions totalled £2,008,000 and employees' contributions totalled £516,000. The agreed contribution rates for future years are 21.1% for employers plus £385,000 and range from 7.4% to 11.7% cent for employees, depending on salary according to a

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2020 updated to 31 March 2022 by a qualified independent actuary

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.75%	4.00%
Future pensions increases	2.75%	2.20%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption (CPI)	2.75%	3.00%
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 years	At 31 July 2023 years
<i>Retiring today</i>		
Males	21.40	21.50
Females	24.50	24.50
<i>Retiring in 20 years</i>		
Males	22.30	22.40
Females	25.60	25.70

Sensitivity analysis

	At 31 July 2024 £'000	At 31 July 2025 £'000
Discount rate -0.1%	(1,148)	(1,063)
CPI rate +0.1%	(1,127)	(1,005)

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
26 Defined Benefit Obligations (continued)
Local government pension scheme (Continued)

The College's share of the assets in the plan and the expected rates of return were:

	Long-term rate of return expected at 31 Julv 2024	Fair Value at 31 July 2024 £'000	Long-term rate of return expected at 31 Julv 2023	Fair Value at 31 July 2023 £'000
Equities		23,639		33,422
Bonds		29,700		15,889
Property		3,031		3,287
Cash		4,243		2,192
Total market value of assets		60,613		54,790

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	60,613	54,790
Present value of plan liabilities	(61,938)	(59,509)
[Present value of unfunded liabilities]	-	-
Net pensions (liability)/asset (Note 19)	(1,325)	(4,719)

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	1,608	2,126
Past service cost	-	-
Total	1,608	2,126

Amounts included in investment income

Net interest income	(229)	(626)
	(229)	(626)

Amounts recognised in other comprehensive income

Changes in financial assumptions	2,302	15,680
Changes in demographic assumptions	124	437
	(1,955)	(9,164)
Other experience		
Return on assets excluding amounts included in net interest	2,751	(1,290)
Amount recognised in Other Comprehensive Income	3,222	5,663

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
26 Defined Benefit Obligations (continued)
Local government pension scheme (Continued)

Movement in net defined benefit liability during the year	2024	2023
	£'000	£'000
Surplus/(deficit) in scheme at 1 August	(4,719)	(10,073)
Movement in year:		
Current service cost	(1,608)	(2,126)
Employer contributions	2,008	2,169
Past service cost		-
Net interest on the defined (liability)/asset	(229)	(352)
Actuarial gain or loss	3,222	5,663
Net defined benefit (liability)/asset at 31 July	<u>(1,326)</u>	<u>(4,719)</u>

Asset and Liability Reconciliation	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	(59,509)	(62,768)
Current Service cost	(1,608)	(2,126)
Interest cost	(3,003)	(2,208)
Contributions by Scheme participants	(516)	(468)
Experience gains and losses on defined benefit obligations		-
Changes in financial assumptions	2,302	15,680
Estimated benefits paid	2,227	1,876
Past Service cost		-
Changes in Demographic Assumptions	124	437
Other experience	(1,955)	(9,932)
Defined benefit obligations at end of period	<u>(61,938)</u>	<u>(59,509)</u>

Reconciliation of assets

Fair value of plan assets at start of period	54,790	52,695
Interest on plan assets	2,774	1,856
Return on plan assets	2,751	(1,290)
Employer contributions	2,008	2,169
Contributions by Scheme participants	516	468
Other experience	-	768
Estimated benefits paid	(2,227)	(1,876)
Fair value of plan assets at end of period	<u>60,612</u>	<u>54,790</u>

These accounts show a past service costs of £102k in respect of the McCloud/Sergeant judgement which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constitute age discrimination. This provision is just under 0.1% of the total scheme liability as at 31 July 2020. The calculation of the adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgement is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

Barnet and Southgate College
Notes to the Financial Statements (continued)
For the Year ended 31 July
27 Related party transactions

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

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2023: £Nil)

28 Amounts disbursed as agent
Learner support funds

	2024	2023
	£'000	£'000
Amount underspent previous year	682	545
Funding body grants – bursary support	525	456
Other Funding body grants	-	103
	<u>1,207</u>	<u>1,104</u>
Disbursed to students	(466)	(350)
Administration costs	(19)	(6)
Clawback	-	(66)
Balance unspent as at 31 July, included in creditors	<u><u>722</u></u>	<u><u>682</u></u>

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