Report and Consolidated Financial Statements for the year ended 31 July 2024

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as the Group Executive Team and were represented by the following in 2023/24:

Sam Parrett CBE – Group CEO & Principal, and Accounting officer
John Hunt – Deputy Group CEO & Group Chief Financial Officer
Asfa Sohail – Executive Principal and Chief Learning Officer
Edward Avenell - Group Chief Information and Estates Officer
Louise Wolsey – Group Chief Strategy Officer
Janet Curtis-Broni – Group Chief People Officer

Board of Governors

A full list of Governors is given on page 33 of these financial statements.

Jennifer Pharo, the Group Executive Director of Governance and Administration acted as the Clerk of the Corporation throughout the period.

Professional advisors

Financial statements auditor and reporting accountant:
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal Auditors:
Scrutton Bland LLP
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Bankers:
Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Santander UK plc
1st Floor, 301 St Vincent Street
Glasgow
G2 5NB

Lloyds Bank
4th Floor, 25 Gresham Street
London
EX2V 7HN

Solicitors:
Eversheds
Kett House
Station Road
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CB1 2JY

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Somerfield House
59 London Road
Maidstone
Kent, ME16 8JH

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Members' Report

The members of the Corporation present their report, which is also the Strategic report, and the audited financial statements for the year ended 31 July 2024.

Legal Status
Bromley College of Further & Higher Education was established under the Further and Higher Education Act 1992. The College is an exempt charity for the purposes of the Charities Act 2011 and accordingly is not liable to Corporation Tax. The College operates under the brand of London South East Colleges in order to reflect the geographical area served by the College.

On 29 November 2022, the Office of National Statistics (ONS) reclassified all statutory Further Education Colleges as public sector organisations in the national accounts and backdated this reclassification to 1993. The Department for Education and Education and Skills Funding Agency immediately introduced new controls and restrictions for the college on the same day, which included the requirement to comply with HM Treasury policy on Managing Public Money.

Academy Sponsorship
The College is the Sponsor of London & South East Academies Trust (LSEAT), and works very closely with the Trust. In April 2018 the independent boards of each entity agreed to work together to further their strategic aims under the brand of London & South East Education Group (LSEEG). This is referred to as Group throughout these financial statements.

Mission
The Corporation re-affirmed the Mission and Vision at its meeting in December 2022, with a vision of transforming lives through the power of learning; we believe that education changes communities for the better

As part of the London South East Education Group (LSEEG) the College has an ambition to create public (social value), by operating as a social enterprise. Social value is defined as '...how what is proposed to be procured or delivered might improve the economic, social and environmental well-being of the relevant area'. This non-prescriptive language allows organisations an opportunity to inject more innovative thinking into public sector commissioning, procurement and service delivery processes in order to inspire more proactive solution finding. To deliver this ambition, the mission of the College is: 'to provider leadership, knowledge and resources to unleash the power of learning as an agent for social change'.

Through this the College intends to continue to have a positive impact on lives, and the social and economic well-being of our local communities is central to its purpose. Through working collaboratively and always in partnership, the College believes that together we will achieve more and achieve better outcomes for all. We continue to work closely with our suppliers, other providers and wider networks in support of our creation of social value and mutual wider business aims. To achieve this ambition we have restated our vision and mission above.

Resources
The College has various resources that it can deploy in pursuit of its strategic objectives.

People

The College employed a full-time equivalent (FTE) of 606 people, of whom 277 FTE are teaching staff. This equated to a headcount of 950 people, of whom 445 are teaching staff.

Learners

The College had approximately 9,670 learners during the year, circa 3,758 of these were 16-18, 284 19-24 High Needs Learner, 4,860 adults, and 768 apprentices.

Members' Report (continued)

Resources (continued)

Financial
The College has £59.9m of net assets. In addition, the College has cash balances of £30.3m

Reputation
The College has a good reputation for responsive high-quality education and training. The College attracts students from the London Boroughs of Bromley and Bexley, together with the Royal Borough of Greenwich and many other Local Authorities. Maintaining a quality brand is essential for the College's success at attracting students and developing external relationships.

Stakeholders

The College has many stakeholders which include:

- Students
- Education sector funding bodies
- Staff
- Local employers (with specific links)
- Local Authorities
- Greater London Authority
- The local community
- SE London Chamber of Commerce
- London Chamber of Commerce
- Banks and providers of finance
- Canterbury Christchurch University (HEI Ptnr)
- University of Greenwich (HEI Ptnr)
- Ravensbourne University
- London Skills for Growth
- Trade unions
- Other FE institutions
- CBI

Stakeholder relationships are very important to the College and significant senior staff-time is invested in both building and maintaining relationships and partnerships. The College recognises the importance of such relationships to its future success and works closely with the funding agencies, banks, local authorities, and employers, together with its staff and students.

Public Benefit

The College is an exempt charity under the Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on page 33.

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

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

- High-quality teaching;
- Widening participation and tackling social exclusion;
- Excellent employment opportunities for students;
- Strong student support systems;
- Links with employers, industry and commerce;
- Links with Local Enterprise Partnerships (LEPs); and
- Benefits to the local communities in which it operates.

Members' Report (continued)

Strategic Plan
2023/24 was the final year of the Group Strategy which was adopted in 2019, and which seeks to position the College as a social enterprise. The Corporation monitors the performance of the College against this plan which is reviewed and updated each year. The College's strategic aims/objectives under this strategy are as follows,

1. To have a measurable positive impact on lives and communities.
2. To maximise learners' success and ambitions through a learning strategy and approach that connects learning to the real world.
3. To deliver high-quality outcomes across all aspects of the Group's business.
4. To have the right people in the right jobs at the right time.
5. To establish a group identity/one organisation - shared vision, mission, and values with a new emphasis on social enterprise and our wider contribution.
6. To embed a culture of discipline, values and evidence that will drive our behaviour.

During 2023/24, we consulted with staff, students, stakeholders and employers to develop our new Group Strategy. Our aim is to have an even greater positive impact on our communities. We will achieve this through developing and pioneering evidence-based solutions and research to address the many challenges our learners and communities face from now through to 2030.

The new Group Strategy 2024-2030: Transforming lives through the Power of Learning, was approved by the Corporation in 2024 and is published here. This has informed our College Operating plan and annual priorities as well as all other supporting strategies. Moreover, for 2024/25, the College has adopted a new Vision and Mission as follows:-

Vision: Transforming Lives through the Power of Learning: We believe that education changes communities for the better.

Mission: To provide leadership knowledge and resources to unleash the power of learning as an agent for social change.

The strategy is broken down into three separate goals as follows:-

Goal One: People First	We will invest in our people to ensure that every person feels valued, recognised, and rewarded, and has the support they need to achieve their best in an inclusive organisation which fosters diversity.
Goal Two: Performance and Practice	We will embed a culture of research and innovation which fosters improved outcomes for all learners, supports organisational resilience and pioneers positive change in education system wide
Goal Three: Prosperity and Place	We will maximise our assets, resource and expertise to effect positive change locally, driving towards net zero, developing social capital, enabling sustainable and inclusive growth in the communities we serve.

Members’ Report (continued)

Strategic Plan (continued)

Review of progress in 2023/24 against the Strategic Plan
Our review of progress in 2023/24 and the last year of our strategy showed that we have now delivered £110m of independently verified social value since 2019, contributing to the social and economic mobility of children and families in the communities we serve, and through this, increased social justice.

The College continued to work with the Social Value Portal to measure the wider impact achieved through operating as an education provider with a social enterprise mindset. Further details on the Social Value and Enterprise aspects of the strategic plan can be found in the next section.

Delivering Social Value
In 2019 we published our first Group Strategy. Unusually, we set out a bold and pioneering ambition as a collective to operate as a social enterprise. Our intent was to increase our social impact by thinking and operating differently. Civic leadership and operating as an anchor institution was central to this, and to our vision and ethos of how we deliver education.

Interestingly, the College continues to see through funding applications and contract opportunities a requirement for providers to articulate progress and impact as an Anchor Institution. As a College we are well positioned to respond to these requirements because of our progress on the group strategy over the past five years. The legacy of this work and our ambition to operate with an agile, social enterprise mindset has been carried forward in our new strategy.

We worked with the Social Value Portal (SVP) to finalise the measure of social value generated in 2022/23 and work is underway to calculate the figure for 2023/24. As a Group we generated £38.98m of which the Social Value raised by the College was £22.2m. Through this approach over the life of the first Group Strategy we have now delivered £110m of independently verified social value since 2019.

Growth of London South East Academies Trust (LSEAT)
The College continues to sponsor the Academy Trust and this year has seen the Trust continue to go from strength to strength with new schools seeking to join. As at September 2024, LSEAT was comprised of 13 schools with more planned to join in the coming year. The help of the College continues to significantly support this growth and development. Business support teams provide expertise on people, finance and estates matters and support effective communication with parents and stakeholders through the conversion process from Academy Trust and maintained status into the Multi Academy Trust governance structure. The College was pleased to see the wider impact of the Trust recognised in June 2024 with a National TES Award for Trust of the year (nine schools or less).

Development of the LASER Education Foundation
In a similar vein, the College has contributed to the establishment of a new charity by becoming a Corporate Member alongside LSEAT to add value to and enhance the educational experience of children and young people in our college, schools and the communities we serve.

The charity will enable young people most in need to access education and a wide range of innovative holistic support programmes. These programmes include mentoring, specialist SEND support and facilities, access to specialist youth mental health services and wellbeing programmes. The charity will support the often difficult, transitional moments in a young person’s life. Work commenced in the past year on developing the charity identity, funding proposition, website and corporate communications. In July 2024 the charity gained Charity Commission status.

Members’ Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

Development of the LASER Education Foundation (continued)
This was a key enabler for fundraising eligibility, and fundraising activity will commence as soon as the charity bank account is operational. The College is providing start up support to mobilise the new charity through staffing support and seed funding for core operational costs.

Good for Me Good for FE National Campaign:
In 2023/24, our Good for Me Good for FE campaign had another successful year, with a total of over £1.1m social value generated nationally through our network of 155 college partners. This included over 27,000 hours of volunteering, 61,000 food items donated, and £177k of fundraising. This brings the totals raised over the past three years to almost £5.5m social value generated nationally, including 219,000 hours of volunteering, 284,000 food items donated, and £474k of fundraising.

The Good for Me Good For FE Campaign continues to build on our social value commitment and to harness the goodwill and contribution that many colleges make to their wider community through measurable social value metrics. Overall, the campaign now engages with 155 Colleges and over 100 individual charities have been reached/ benefitted on a national / local level. Conversations are currently being held with regional voluntary organisations offering wider access to local charities across the country.

The programme is being supported through partnership funding from the national awarding body NCFE. In 23/24, NCFE provided a grant of £12,000 to pay for the hugely successful inaugural Good for Me Good for FE awards which was held online, followed by the awarding ceremony at the House of Lords. In addition, the campaign received funding from the partner colleges, East Coast College and Loughborough College, which equated to £25,000.

A new Good for Me accreditation is currently being built to offer Good for Me partner colleges the opportunity of offering a combined programme of assessment and volunteering hours to their students, which uniquely cover all of the essential employability skills learnt through social action/volunteering that are completely transferable to the workplace.

Every year, the College looks to increase the amount of social value we generate, thereby increasing our wider social impact. This has the benefit of improving opportunities for learners, provides headline social value figures to share with stakeholders and helps to increase the impact the College has for the funding it receives. A greater focus is now required on ensuring that we have access to and can benefit from the wider advantages of the charity and social enterprise partnerships that have been developed. There will be an increased focus on ensuring that leaders and managers are supported in translating this ambition into direct experiences for all learners in the coming year.

For the coming 2024/25 academic year, we are embedding social value across all parts of the College, particularly focusing on the benefits we can provide our students. These plans include working in partnership with local voluntary organisations to offer more local volunteering opportunities – students have already been surveyed to gauge areas of interest and voluntary organisations will attend our Welcome Fairs and details of how students can access the campaign have been included in the Induction welcome from the College Principal.

External Reputation and Awards
Substantial media coverage has been secured for both the College and the Academy Trust this academic year. A total of 242 articles featuring our organisations have been published across a range of platforms and titles – locally, regionally and nationally.

Review of progress in 2023/24 against the Strategic Plan (continued)

External Reputation and Awards (continued)
We have been regular contributors to key sector titles including FE Week and Schools Week, positioning ourselves as thought leaders on a variety of topics and issues.

By featuring many different and diverse voices from across the Group, we have demonstrated our exceptional breadth of expertise, while sharing best practice across the education sector. This has helped raise awareness of important issues as well as helping to influence policy at a higher level.

We have also worked closely with partners and stakeholders, including the FE Commissioner and various employers, to develop opinion pieces on their behalf, in support of our work. Using Total Articles Published, Advertising Value Equivalent and Opportunities to See as our key metrics, we have increased the amount of coverage and our reach (opportunities to see) in comparison to the previous year.

This reflects the strong reputation of both our College and our Trust (and our leaders) within and beyond our sector, having become a 'go to' organisation for journalists in the sector.

In addition, the Group has secured several national awards this year, further strengthening our positive reputation. These include: Trust of Year (nine schools or less) in the prestigious TES Schools Awards and five accolades for teachers across our Trust and College in the Pearson National Teaching Awards (a bronze award and four highly commended).

In addition, we were delighted that London South East Colleges has been recognised as an 'exemplary employer' for the second year running by Investing in Ethnicity - an organisation set up to encourage a stronger focus on the ethnicity agenda in workplaces. The College is one of 25 top employers, assessed via The Ethnicity Maturity Matrix. This has been designed with the backing of the All-Party Parliamentary Group for Governance and Inclusive Leadership, and establishes where organisations are within their ethnicity agenda journey.

A special parliamentary reception was held to recognise these 25 outstanding employers and to celebrate their commitment to this important agenda. A range of industries were represented, with organisations including HSBC, KPMG, Legal and General, Freshfields, Experian, Lloyds Banking Group, Paramount, UBS, BP and Channel.

Media coverage for the College has been wide-ranging this year, featuring a diverse range of voices from our CEO to our College Chaplain. Pieces have also been written in partnership with key stakeholders – including NCFE. Ten thought leadership pieces have been secured in FE

In addition to the figures above, we also undertook some additional PR activity, as part of the LSIF-funded project focusing on green and digital skills. Having conducted some consumer research, we secured broadcast coverage on London Live TV and over 30 local and regional radio stations. Our Good for Me Good for FE (GfMGfFE) campaign has also contributed significantly to our PR activity this year – having secured FE Week as the media partner for the GfMGfFE awards.

External Funding
Building on these developments, the College successfully secured a number of external funding applications which have been used to add value to and enhance the student experience. A primary focus has been to invest in the teaching and learning environment and resources available to students as well as CPD for teachers to improve and develop their classroom practice. Successful bid outcomes have come through the following projects:

Members' Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

External Funding (continued)

Project	Funder	Amount
AOC JP Morgan – Green Skills	AOC	£150,000
Local London Green and Digital Mayoral Academy	GLA	£237,000
GoodforMe GoodforFE	NCFE and Founding Colleges	£0.76m
ETF SEND Employer Spoke	ETF	£48,000
HTE Injection Fund (Cyber)	DfE	£98,000
Post 16 Capacity Fund	DfE	£4.0m
Future Greenwich Additional Funding	GLA	£4.1m
T Level – wave 4	DfE	£660,000
T Leve – wave 5	DfE	£1.6m
FE Capital Transformation Fund	DfE	£1.3m
Local Skills Improvement Fund	DfE	£1.7m (for LSEC)
HTE Growth Fund (Health)	DfE	£98,000
Good Work Bromley Exchange	LB Bromley	£357,000

Strategic Developments

Future Greenwich Campus

The circa £45 million Future Greenwich Project is continuing to make progress and will ensure that the new purpose-built campus will be future-proofed to meet the skills demands of employers and the communities it serves. Working in partnership with the Royal Borough of Greenwich and Digital Greenwich, the new campus will take advantage of modern digital pedagogy such as virtual and augmented reality, to create a far more efficient and effective learning environment.

Working alongside L&Q, the wider capital project will create a new living space with almost 300 new homes, 52% of which will be affordable. Not only will the new campus provide new education opportunities for thousands of Londoners, but the project will also be a vital community asset as well with a new green community space and homes. This hybrid project co-developed between the education sector and a housing association was shortlisted as highly commended in the 2022 National Social Value Awards for Best Public Sector Project.

As reported previously the College sold part of its Plumstead campus to L&Q as part of its funding strategy for the new campus, and demolition work was completed in August 2023, ready for construction work to commence, with the anticipated opening of the new College being in 2025/26. Through a meticulous tender exercise and detailed value engineering to ensure value for money in the overall build costs, Kier was appointed as the construction partner. The Construction programme commenced in 2023/24 as planned and is currently running on time and to the agreed budget for the project overall.

Bromley Campus Redevelopment

Following the successful FE Capital Transformation Fund bid, the ambitious part campus redevelopment will enable us to focus on the high-value, higher-level courses that employers need to meet technical skills gaps. Designing the campus to prepare for the rapidly changing skills needs employers have is requiring the development of modernised, more flexible teaching and

Members' Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

Strategic Developments (continued)

Bromley Campus Redevelopment (continued)
collaboration spaces for students to learn in and out of the classroom. Work has now completed to prepare the relevant part of the campus for refurbishment and construction, to ensure delivery of these improvements in line with the DfE funding requirements. As work progressed on this project on 2023/24 a range of challenges were encountered. These included the discovery of deleterious materials, inflationary cost increases and the approved contractor unfortunately going into administration during enabling works. The College has worked closely with the DFE to navigate through these issues and agreed a critical path forwards. This has included reducing the scope of planned works and retendering the proposed programme of works in two separate packages as new tenders are undertaken. It is anticipated that despite these issues, the overall FECTF project will be completed within the fund timelines and within the DfE approved budget.

T-Level Capital Fund
We received notification in June 2023 of our successful application to develop a new T-Level Built Environment Academy at Bromley Campus, creating a semi-open ribbon block building at the back of the Technology block. This will support the transition to the new T level qualification by creating an industry standard facility and will allow the College to respond to the anticipated further curriculum reforms through the new curriculum strategy.

The project will also support the College to grow its STEM capacity by also ensuring wider L1/L2 provision can access the industry facilities, allowing this will also create better internal progression routes onto the new T-Level pathway. This L1/L2 provision also includes;

- Brickwork
- The inclusion of this pathway also fixes a wider issue the department has been experiencing, due to a inadequate learning space.
- Plumbing
- Carpentry
- Electrical

By September 2028 the project will enable an additional 84 learners accessing industry aligned T-Level routes. The project was tendered successfully and despite the weather impacting on the early works of the project, the project was completed in August 2024 on time and within budget.

Post 16 Capacity Fund
In May 2023, we received a positive notification of our application to DfE's Post-16 Capacity Fund for further development of the Bromley Campus STEM block for completion in August 2024.
The core objectives of the post-16 capacity fund are:

- to provide additional capacity in 16-19 providers, where there is due to be a demographic increase in learners in September 2024 and there is not enough existing capacity to accommodate that increase;
- to ensure that provision to be delivered through the additional space developed meets local and national skills requirements and is reflective of learner demand; and
- to do so in the most efficient and sustainable way possible, to ensure value for money in the investment of public funds, and to support the Government's target of achieving net zero carbon emissions by 2050 as set out in the Climate Change Act 2008.

The Post- 16 STEM Block bid supports the Colleges Estate strategy by addressing the following goals:

Members’ Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

Post 16 Capacity Fund (continued)

- Providing a revised estate to enable our current curriculum to continue to innovate and support our learner community
- Ensure our estate meets our future curriculum needs and pedagogy
- Helps our estate to support our wider Net Zero ambitions and become environmentally sustainable
- Create a more efficient estate which optimises and rationalises space and value

The project was tendered successfully and preparation commenced in the Spring and was completed in August 2024 ready for the start of the new academic year in September 2024.

Collaborative Strategic Projects

Alongside working with wider stakeholders to further embed ourselves within the community, the College has been delivering several larger-scale projects for the benefit of our learners and our community. These included:

- DfE funded Local Skills Improvement Fund (LSIF)

Building on the success of the Strategic Development Fund, The Local London Local Skills Improvement Fund (LSIF) is a sub-regional project with 23 collaboration partners worth £6.5 million in investment. LSIF aims to increase inward investment across the Local London region linked to priorities highlighted in the Local Skills Improvement Plan. As the strategic lead College, LSEC has led significant aspects of the Local London LSIF Project including:

- Working with Newham College to support the design, development and delivery of 11 new Green Skills facilities and courses across the sub region
- The development of a collaborative pan Local London network of digital suites aiming to combine learning and teaching resources across the region to support teacher recruitment and retention whilst increasing choice for students.
- Delivery of a Green Skills Hub in Holly Hill Bexley and two Digital Labs (Bexley and Bromley) to improve the local skills base in green and digital technology for Level 3-Level 5 learners and Adult Courses.

Over the course of the two year project, the College will receive more than £1.64m of Capital and Revenue investment from this project.

- Local London Green (and Digital Construction) Mayors Skills Hub

The College Strategy Team continues to lead the Mayoral Green Academy Hub (£130k p/a) as it enters its third year and continues to raise the profile of Green Skills across the Local London region. A key focus of the Hub has been the development of a Green skills Youth Board and the pilot of a Green Sector Based Work Academy Programme (SWAP) in partnership with the DWP, and continuing to drive Green job opportunities for disadvantaged groups. The Local London Green Mayors Skills Hub has been extended beyond the original two-year project until September 2025, and continues to make impact through its work which is promoted on the Local London skills providers website which has a focus on Green and Digital jobs and can be accessed using the following link: www.locallondonskillsproviders.com

- AoC JP Morgan Green Pilot Project (£174k)

As this project enters the second year it continues to drive awareness of Green Skills for L1 and L2 STEM students across LSEC. Key achievements to date of the project include:

Members' Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

Collaborative Strategic Projects (continued)

- AoC JP Morgan Green Pilot Project (£174k) (continued)
  - A Green skills induction for all L1 & L2 STEM students at the start of the year with key industry speakers including GLA, AOC and employers. At the start of the induction, students are surveyed to garner their understanding of 'Green Skills' and then monitored throughout the year to show progress.
  - From September 2024, a 'Green Skills' element has been embedded into all STEM study programmes with a focus on retrofit and sustainability. This means all students will receive at least 30 Guided Learning Hours to develop their understanding of these industry sectors.

- AoC JP Morgan Green Pilot Project (continued)
  - A series of 'insight days' to be held over the course of the two years to raise awareness of green skills – to date the sessions have focused on inviting careers teachers from local schools to visit the Green Lab at Bromley to raise awareness of the importance of Green Jobs so they are better equipped to inform their students. Moving forward events are planned to invite local employers in to view the Green Skills Lab and also to invite Year 10 students into the College during Green Skills week in November.
  - Throughout the course of the project, the impact on learners, staff and employers is being measured through an independent evaluation. Feedback at the end of year 1 has shown learners have made progress in their understanding of Green skills and has identified key areas of focus for year 2.

- Mayoral Academy Quality Marks

Following a series of successful review processes, Mayor's Skills Academies Quality Marks awarded in 2022 for Construction, Digital and Health & Social Care have been extended until August 2025. In addition, our Hospitality provision was awarded a Quality Mark in 2023, which is also valid until 2025. The Quality Mark accreditation recognises high-quality skills training in London, with the college currently holding four of the six available Quality Marks.

- Good Work Bromley Exchange (£357k)

In partnership with LB Bromley, this UKSPF funded project has created an employment and Skills Hub based in Orpington Campus for economically inactive people within the borough. Overseen and monitored by Local London, the project focuses on partnership and stakeholder working to ensure all those on the margins of employment are involved in the project. It is widely perceived that the Exchange is the precursor to an Employment and Skills Strategy within the London Borough (LB) of Bromley. The project is funded until March 2025 and the College is supporting the borough with skills Research to better understand local need.

To date, the project has supported a number of Sector Based Work Academy Programmes (SWAPS) working in partnership with key employers such as the NHS, Capita, Green Skills employers and more recently a SWAP focussed on driving more people into Teaching Assistant roles in partnership with the LB of Bromley. The project has also hosted a number of employer events in particular an Inclusive Employment Event for Employers and Care Leavers which took place on Tuesday 9th July at our Bromley Campus in partnership with the LB Bromley.

In addition to the Hub, the funding pays for a Post 16-18 Transition Manager based at Bromley Beacon Academy within London South East Academies Trust, in order to support young people with SEMH needs to successfully transition into employment or education.

Members' Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

EDI Grants Programme
During 2019/20, our Group launched a ten-year grants programme to help support equality, diversity, and inclusion within our communities and to tackle inequality. This work has built on the College's mission to improve social mobility and is in support of the Black Lives Matter movement, following the death of George Floyd. With research also revealing that minority ethnic groups face disproportionate challenges from the Covid-19 pandemic, we want to continue to address and help support this issue in a tangible way. Therefore, our pioneering grants programme has continued to fund student and staff projects over the past year in a range of EDI areas, tackling issues that are important to them. Some examples of grants funded during the year are explained below:-

Black History Month – Initiatives for our SEND Students
This project was in relation to black history initiatives for the SEND students, educating them on long lasting impact Black Britons have made in this country. The funded event marked the culmination of their month of work with the students on this matter. The event was intended to be both educational and fun to culturally enrich our students and widen their perspectives, as they experience black music, food tasting and African drumming.

LSEC at London LGBTQ+ Pride
This funded our Float for the London Pride event, with participation from Students and Staff in attendance. Our participation helped us to celebrate LGBTQ+ culture and identities, advertise ourselves as an LGBTQ+ friendly and inclusive place to work and learn, and helped make our LGBTQ+ staff and students safer, more supported and more included within the College.

Cultivating a Positive Mindset Renewal Towards Success
This project revolved around cultivating a positive mindset amongst our learners. It aimed to equip them with essential life skills, address safety concerns, and foster self-development for a more confident and purposeful life. The project specifically targeted students exhibiting signs of concerns in various areas such as disruptive behaviour, irregular attendance (both below 45% and above 45%), disciplinaries involving drug-related incidents or multiple altercations leading to suspension

By 2030, we plan to have funded up to 50 community projects.

DEVELOPMENT AND PERFORMANCE

Financial Results
In 2023/24 the College generated an adjusted operating surplus of £1.4m (2022/23: surplus of £0.89m) prior to FRS102 pension costs, and profit on sale of fixed assets of £0.27m (2022/23: £8.87m). The total comprehensive income of the College for the year after including these items and the actuarial gain in respect of the Local Government Pension Scheme (LGPS) was a surplus of £1.6m (2022/23: a surplus of £9.8m).

The overall adjusted operating College surplus for the year of £1.4m is largely due to increase in realised gain of on the Kingswood investment and Bank interest due to interest rate fluctuations, unrealised gain on investments of £0.28m and a non-cash reduction in the annual leave accrual of £0.26m

The total comprehensive income for 2023/24 includes £0.41m (2022/23: £0.29m) of restructuring costs and £0.13m exceptional property strategy costs which have been expensed on planning of major building works, and £0.1m of positive FRS102 Local Government Pension Scheme (LGPS) adjustments (2022/23: -£1.5m), and an actuarial loss totalling £0.13m in respect of the LGPS (2022/23: £1.57m gain).

Members' Report (continued)

Review of progress in 2023/24 against the Strategic Plan (continued)

DEVELOPMENT AND PERFORMANCE (continued)

Financial Results (continued)
The FRS102 pension deficit reported relates to Nido Volans Lambeth. The main College remained at NIL during the year. This is due to a number of reasons, primarily higher market yields on Corporate Bonds increasing the discount rate applicable to scheme liabilities.

The College has an accumulated income and expenditure account surplus of £54.1m including the LGPS pension reserve (2022/23: £51.7m) and cash balances of £30.3m (2022/23: £26.4m). The College wishes to accumulate reserves and cash balances in order to create a contingency fund, but this is balanced with the need to reinvest in equipment and the College estate following the merger.

Total College income for the year was £58.1m which is an increase of £4.6m from 2022/23 (£53.5m) mainly due to an increase in 16-18 Funding, Other grants and contracts on High Needs provision resulting from increased learner numbers requiring high needs support and increased investment income on deposits.

Cash flows and Liquidity
The College aims to generate a cash inflow from operating activities each year and a cash inflow of £3.82m was achieved (2022/23: £1.85m restated). The College also aims to maintain an appropriate balance between continuing capital investment and net current assets. However, net current assets decreased by £3.4m to £20m at 31 July 2024 (2022/23: £23.4m) due to continuing major capital investments.

Liquidity remained strong during the year with cash balances of £30.3m (2022/23: £26.4m) as the College builds cash reserves to fund some major capital projects. During the year the College has continued to invest in its estate, equipment and major capital projects with total capital expenditure net of capital grants during the year being £7.49m (2022/23: £2.79m).

The quantum of overall debt is determined by the College's ability to meet capital repayments and debt charges with due regard to interest rate risk. Treasury management is the management of the College's cash flows, its banking, money market and investment transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate Treasury Management Policy in place.

Treasury policies and objectives
Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements are restricted by limits in the College's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Reserves
The College has £59.8m (2022/23: £58.3m) of net assets including a £0.06m pension liability e(2022/23: NIL liability) and long-term debt of £5.8m (2022/23: £5.3m). Long term debt increased slightly with a change in payment profile of the DfE loan, rather than through any new borrowing.

Going concern
The College has funding contracts in place with the ESFA for 2024/25 which provide a secure income stream for the year based upon current enrolment levels. In addition, the College has secure loan debt over the medium term. The medium-term financial plan for the College has been prepared on a prudent basis. The College faces numerous financial challenges including those

DEVELOPMENT AND PERFORMANCE (continued)

Going concern (continued)
presented by the current economic climate and a period of major capital investment. This challenge is made much more difficult in the context of reclassification with the College no longer being able to access the commercial liquidity resources it had in place to mitigate the risk of multiple major capital projects prior to being reclassified as public sector. However, the plan demonstrates that despite cash reserves being significantly depleted through such, with the controls and mitigations in place, the College expects to have sufficient working capital to meet liabilities as they fall due.

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

Sources of Income
The College has an accumulated income and expenditure account reserve (excluding Pension Reserve) of £54.1m (2022/23: £51.7m) and cash balances of £30.3m (2022/23: £26.4m). The College wishes to continue to accumulate reserves and cash balances in order to help fund future major capital investment, and to protect against adverse changes in financial performance.

The College continues to have significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2023/24 the ESFA provided 71% of the College's total income (2022/23: 72%).

The Curriculum Strategy has been developed over the last year, initially informed by a draft approach to a Local Skills Improvement Plan developed by the College last year. The Strategy sets out five goals for the coming five years, recognising the need to ensure provision for young people and adults meets local skills needs.

FUTURE PROSPECTS

Curriculum Strategy & Developments

In the next five years we want to build on our longstanding commitment to these priorities and social action, to prepare learners for life and work in modern Britain and the global market. As such, the themes of inclusivity, sustainability, digital and green skills for individual and economic growth are embedded throughout the five goals as follows:-

Five strategic goals

1. To maximise learner success by providing an innovative curriculum which meets employer needs, supports economic growth and gives learners the qualifications and skills to succeed in life
2. Increase positive destinations for young people and adult learners to further training, study and work
3. Provide digital skills for all which improves confidence, enables effective learning and to thrive at work
4. Provide an inclusive and agile curriculum which enables all learners to fulfil their potential
5. Enhance learner participation in community and civic life

As a result, we identified that our curriculum development focus is for us to specialise in:

- Business Services (including Digital)
- Construction and Manufacturing, with a key focus on Green Skills and Sustainability

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Strategy & Developments (continued)

Five strategic goals (continued)

- Creative
- Health and Social Work
- SEND

The Curriculum Strategy has been developed in consultation with staff and external stakeholders.

The Curriculum Strategy is being implemented from 2024/25, supported by annual curriculum planning and the accountability statement which sets out priorities and objectives for the year. These will be underpinned by an evaluation framework to monitor progress against objectives, review progress and support the curriculum planning cycle.

At London South East Colleges, we are committed to providing learners with a curriculum that truly empowers people to fulfil their potential and create a successful future for themselves and the communities in which they live and work.

For example, our curriculum strategy considers technological advances and new applications of these on how we live and work, and with it the skills our learners need to be successful in attaining employment in the future. This is just one factor influencing the size and nature of our current and future labour market, alongside the transition to net zero, social change, political and economic aspects, interacting to drive areas of growth, decline and with it the supply and demand of skills. All such factors and influences are at the heart of our curriculum strategy.

Our Accountability Agreement focus is building on skills for the real world and ensuring that every learner has the skills and qualifications they need to succeed and contribute to their community.

The Government set out their vision to transform Further Education in the January 2021 Skills for Jobs White Paper. This set in motion for reforms to transform the skills system so that it better supports young people and adults to develop the skills they need to get a good job and provide a clearer focus on delivery of outcomes. The Skills and Post-16 Education Bill, introduced last year aimed to strengthen links between employers and further education providers saw the introduction of Local Skills Improvement Plans, known as an LSIP.

Accountability Agreement

A key feature of the reforms is ensuring that employers have a central role in designing and developing qualifications and training. This has been further enforced through the accountability system, that provides new powers to the Secretary of State to ensure FE providers comply with their 'duty' to co-operate with employer representative bodies in the development of the plans, and new statutory duty to keep provision under review to ensure that it best meets local needs.

In this context FE providers are required to complete an annual accountability statement.

The accountability agreement has two parts that providers are expected to comply with and implement. These are: the accountability framework and annual accountability statement. The annual accountability statement should be a succinct document that focuses on the College's priorities for the funding year ahead. It will need to be published on the college website and shared with ESFA and other external agencies. The annual accountability statement will need to link to the Local Skills Improvement Plan and should include.

- Statement of purpose
- Background to context/place
- Approach to developing the statement
- Contribution to National, regional and local priorities

FUTURE PROSPECTS (continued)

Curriculum Strategy & Developments (continued)

Accountability Agreement (continued)

- Corporation statement/sign-off
- Links to supporting documentation

BusinessLDN is the employer representative body (ERB) leading the LSIP for London. The LSEC is represented on the London LSIP Stakeholder Advisory Group.

The pan-London priority sectors are Creative, health and social care, construction, and hospitality. Meanwhile, it identifies four key themes:

- Digital skills
- Green skills
- Labour market inclusion
- Transferable skills

As may be expected, these strongly align with priorities in the Local London sub-regional LSIP, which highlights:

- Construction and engineering
- Health and social care
- Digital and creative
- Manufacturing
- Distribution and logistics

Overall, the priority sectors and skills in the LSIP for London and Local London closely align with our current direction of travel from the Accountability Agreement and Curriculum Strategy (2023-28). Both of these documents have been reviewed to ensure they align with the local, regional and national skills priorities published in the LSIP and national guidance from DfE and were presented to the July Board for approval.

Curriculum Developments

As a large College of Further and Higher Education, we have a significant role to play in supporting local communities and economies to continue to recover, build resilience and thrive, and we are committed to collaboration on this agenda in the ever-changing policy context of education and skills. We have proactively responded to this changing agenda to ensure that our approach to employer engagement and supporting economic recovery aligns with the emerging development of Local Skills improvement Plans in London. The approach will build on the design and implementation of the LSEC Curriculum Strategy and Accountability Agreement.

We work in close partnership with civic partners, including local councils, mayoral combined authorities, and chambers of commerce, to ensure a cohesive approach to regional skills development. By aligning curriculum with those of other colleges, key skills challenges are addressed collaboratively.

With a deep understanding of current employment landscapes and future skills requirements, the College works closely with key partners to design and deliver courses that precisely meet these needs. The curriculum is continuously refined based on employer feedback.

Strategic employer partnerships are integral to the college's success, with leaders being prominent figures in local and regional skills forums, including the South East London Chambers of Commerce, the Local London Skills and Employment Board, and the Local Economic Partnership. These alliances with high-profile employers such as PwC, Cory Riverside Energy, Halfords, NHS Trusts, and Kier Construction all of which enrich the curriculum, ensuring it aligns with regional

FUTURE PROSPECTS (continued)

Curriculum Developments (continued)

skills priorities, supports employer needs, and offers robust progression pathways for learners from pre-entry levels to higher education. The curriculum is inclusive, engaging learners from diverse backgrounds and equipping them with the skills necessary for future success. Notable examples of their influence include PwC's leadership on the "Women in Technology" project, which offers inspiring career discussions and live projects; Kier Construction's launch of a Careers Hub at Holly Hill and Bromley Campus; and HSBC's industry expert sessions on financial management for students.

Expansion of our High Needs Provision

On 1st February 2023, the contract to operate the provision for learners with complex and Profound Multiple Learning Disabilities (PMLD) in the Borough of Lambeth was transferred to the College. The provision was previously operating through a private training provider, Michael Tippet College, and the provision has now been renamed as Nido Volans Lambeth (NVL). Prior to the transfer, the provision was grade 4 by Ofsted and deemed as not making the required progress to improve this grade.

In response to the educational challenges, we immediately started providing comprehensive and intensive support to the NVL staff and learners. The primary objective was to align the provision at Nido Volans Lambeth with the established standards of excellence within our existing Special Educational Needs and Disabilities (SEND) program. This involved significant enhancements in management, monitoring, and, most importantly, Teaching, Learning, and Assessment.

During December 2023, this provision received significant progress across the board by Ofsted. This is now fully embedded into our High Needs offer, and it is planned to move into a new larger education facility from October 2024 to continue to support the growing need in this area.

Provision Types

Study programmes provision covers 14 of the 15 subject sector areas and ranges from Entry level to Level 3. In 2023/24, six T level course, Management, Health, Building Services, Childcare, Construction, and Engineering were delivered. With the curriculum reform, T level delivery has been on Bromley site only in response to students demand of BTEC courses. STEM provision has the largest proportion of young learner enrolment and attracts few adults studying alongside the youngsters, mainly in the service industry and electrical engineering. About three-quarters of our young learners needed to study English and/or maths alongside their vocational subjects. The College has much higher numbers of learners whose prior attainment in either GCSE English or mathematics not reaching a grade 4 in comparison to the national figures.

Most study programme courses at entry, level 1 and level 3 have seen improvement in achievement rates. English and Maths outcomes have improved overall, with the exception of those studying English GCSE as many struggled to attain the grade 4 in their exam.

High needs provision is offered as discrete SEND provision as well as in the mainstream. Discrete SEND provision is delivered over three campuses within the Nido Volans Centres at Bexley, Bromley and Lambeth. The SEND provision works closely with Bromley, Bexley and Lambeth local authorities, however, the SEND programmes support learners from 8 other South East London boroughs including, Lewisham, Greenwich, Dartford, Kent, Southwark, Wandsworth and Croydon.

Historically there have always been more learners with Education Health Care plans (EHCP) within the discrete SEND provision, however over the last three years there has been significant increase (40%) in learners with EHCPs within the vocational areas across the wider college. With such an

FUTURE PROSPECTS (continued)

Provision Types (continued)

increase leaders and managers of ALS are actively supporting the wider College to better personalise their vocational programmes to maximise learners' experience, progress, and achievement.

Of the 813 learners with EHCPs, 661 learners are in receipt of high needs funding drawn down from thirteen local authorities across the five LSEC campuses in 2023/24. All these learners have Education, Health and Care plans (EHCPs), 306 of these learners are on discrete SEND programmes across Bromley (175), Bexley (89) and Lambeth (42). For these learners there are clear and rapid opportunities for progression to higher level programmes that challenge and develop essential skills for life and employment.

The provision for learners with high needs at London South East Colleges is good and learners make good or better progress against their starting points. Leaders and managers of the discrete SEND provision have created an excellent learning environment that fully meets the diverse needs of learners and enables them to develop excellent personal, social and employability skills.

Higher Education provision aims to offer a flexible higher education provision that is value for money for people looking to progress their careers or change direction. The majority of programmes are two years and can be studied alongside job commitments to enable students to gain qualifications and the skills and knowledge needed to further their career. These include Higher National Certificates/Diplomas, Foundation and Bachelor degrees which are validated by the University of Greenwich, Canterbury Christ Church University and Pearson.

The Higher Education provision had enrolled 337 learners in 2023/24 and was made up of a curriculum in Build Environment (122), Business (22), Digital (55), Education and Early Years (69), Health & Social Care (50) and Sport (19).

Results and retention within HE have improved in 2023/24, which now represents a four-year trend of improvement.

Overall pass rates have moved from 92.9% in 2022/23 to 93.8% in 2023/24, with achievement rates going from, 84.1% to 85.8% over the same period.

The Higher Education provision has now fully embedded itself in the Ozone building, creating a specialist University Centre environment. Within this the University Centre a new Higher Technical Qualifications in Cyber Security has been set-up, which is now in its second year.

Adult provision at LSEC provides a broad range of adult programmes, from level Entry to HE Education, intended for adults who want to return to education, improve their skills, or to develop their confidence to be more active in their local community.

The success of this provision is evidenced by the high number of learners who participated in LSEC adult programmes across all campuses (Orpington, Bromley, Bexley, and Greenwich), and by their high retention by the end of the 2023/24 academic year.

The courses delivered directly by the College with the largest learner numbers are ESOL, Distance Learning, Adult English and maths, Employability & Innovation, and Access to HE. The content of the provision is as follows:

- ESOL provision ranges from Pre-Entry to Entry 3 level
- Distance Learning provision offers a variety of 24-week courses on topics a wide variety of topics such as an Award in Mental Health, Counselling, Warehouse Management, and end-of-life care.

FUTURE PROSPECTS (continued)

Provision Types (continued)

- Employability & Innovation provision represents short courses developed in collaboration with external agencies such as DWPs supporting adults into employment
- The access to HE provisions represent Pre-Access courses and Access Courses in various topics, such as Health, Business, Criminology, Computer Science, etc.

The partnership provision represents the subcontracted courses with organisations like Global Skills Training, Learning and Skills Solutions, and Skills Network. The College recognises that delivery partners' provision can play an important role in providing a broad and flexible mix of courses for learners, employers and the wider community. Partnerships can benefit the College by accessing learners in different settings and communities who may not normally attend provision at a large FE college like LSEC. They can also provide clear progression routes into LSEC College provision as they provide learners with a stepping stone qualification.

The College has engaged with a limited number of specialist partners and only when there is a clear strategic reason to do so. The focus is to:

- provide training to learners that would not access education in a traditional college environment
- provide training to learners in specialist subjects areas
- provide training to learners in a flexible model that is not viable within a college environment

Such subcontracted provision supports the college curriculum strategy and intent to provide the maximum opportunities for further learning, training and upskilling our local communities. The subcontracted provision follows college quality assurance processes and is scrutinised through the Subcontracting Committee that reports to the governing board.

Our Apprenticeship provision had a total of 464 leavers in 2023-24 covering 7 Subject Sector Areas (SSAs), the largest being Business Administration (118) followed by Construction (101), Engineering (42), Health, Public Services & Care (40), Retail and Commercial Enterprise (30), Education and Training (11) and ICT (11).

As a result of lower achievement rates in some low volume areas, 13 apprenticeship frameworks/ standards were taught out in 2023/24 with no new starts. This area was under intervention throughout the year and was supported by an external consultant.

Curriculum Beyond Qualifications

As a social enterprise organisation, LSEC recognises that qualifications alone are not sufficient to equip learners for success in life. We want to build strong, sustainable communities that are economically and socially prosperous, and for our learners and partners to join us on this journey as co-producers in achieving this vision. This is why our learners' education includes the following:

<u>English and Maths Learning and Catch-up Funds</u>
The College recognises the importance of learners' literacy and numeracy skills as a key tool for enhancing learners' employability prospects. Learners are provided with Functional Skills (FS) classes as steppingstones to support our learners in achieving their GCSEs in both English and Maths if they have attained grades below 3 in these subjects. If learners have grade 3 in these subjects, they are provided with the opportunity to re-study such subjects. Our learners are also supported outside their English and Maths (FS or GCSE) classes. This is achieved through the use of the specialist "Century" English and maths software to enhance self-directed study.

A significant proportion of the catch-up funding was used to support English and Maths. This is both through the College's own English and Maths team and also through expanding the

FUTURE PROSPECTS (continued)

Curriculum Beyond Qualifications (continued)

programme delivered by "Get Further" which used more provision for more learners, providing support for Functional Skills as well as GCSE.

In addition, the tuition fund also supported learners who missed learning opportunities on vocational programmes in preparation for the practical assessment.

The expectation of this increased level of support is that knowledge and skills gaps are filled and confidence is rebuilt which should be seen in more positive achievement rates and destinations.

Preparation for work

Work Experience (WEX) has a high profile within the college which is introduced through the tutorial provision and through curriculum sessions. The dedicated Work Experience team works with learners and employers to identify WEX placements linked to learners' main vocation and/or aspirational destination. The WEX is also supported with Career Advantage software that provides learning opportunities across the following four different modules:

- Critical Thinking
- Industry Placement
- Social Action and Enterprise
- Industry Placement

Social inclusion

A wide range of enrichment activities take place across each campus delivered both from a central engagement team and curriculum specific activities. Centrally learners have opportunities to engage in sport activities including football, basketball, rugby, cricket, golf, netball, boxing and taekwondo, yoga, and creative activities including dance and music. Collaborative enrichment activities included introducing an LGBT+ social inclusion group and Dungeons and Dragons social club.

Tutorials

The College has further enhanced its relatively new model for tutorial delivery. The central team of Student Achievement Tutors has been strengthened by new management and improved resources. The tutorial content covers a wide range of safeguarding, personal development and destination focussed themes. Sessions delivered use a combination of online learning materials, videos, interactive menti meter and debates to bring in a range of challenging, and sometimes sensitive topics including sexual harassment, consent, Prevent, EDI and staying safe themes.

Financial plan

The Corporation approved a three-year financial plan in July 2024 which sets objectives for the period to July 2025. The college aims to build upon its strengths which include evolving our curriculum, increased progression opportunities within the curriculum strategy, and in response to Government and GLA funding priorities.

The plan takes account of the ongoing capital investment and the capital expenditure in respect of the partial disposal and rebuild of the Plumstead campus, and the major refurbishment of part of its Bromley Campus following a successful Further Education Capital Transformation Fund (FECTF) Bid. In addition, there is further significant refurbishment ongoing for the Technology Centre at Bromley as part of a successful post 16 capacity fund bid, and the addition of new T Level construction facilities following a successful Wave 5 T Level capital bid. This all introduces a much higher level of uncertainty for future enrolment levels together with the financial

Members’ Report (continued)

FUTURE PROSPECTS (continued)

Financial plan (continued)

performance, and health of the College. Therefore, some contingencies together with modest assumptions have been included within the plan.

The three-year financial plan has been prepared in accordance with the strategic plan and aims of the College and shows that with the main assumptions and contingencies, the financial performance of the College should be sustained. However, in the absence of being able to access commercial finance facilities which the College had in place to support committed capital expenditure, cash balances will become lower than ideal levels over the next two years. Therefore, the College may be required to identify some financial efficiencies in order to make cost savings in future years. Cash levels are expected to recover after the period of major capital investment.

Reserves Policy

In accordance with its Strategic Plan, the College aims to hold reserves in order to provide sufficient cash flows to support the maintenance and improvement of the College estate and equipment. In this regard, the College has been building reserves to support the redevelopment of its Plumstead campus and the major refurbishment of its Bromley campus and these projects have now commenced and are expected to complete by December 2025. In addition, the College holds reserves to provide a degree of protection against adverse changes in the number and/or profile of enrolments and/or in-year reductions to funding allocations.

Therefore, the College endeavours to:

- Maximise the operating position each year and achieving a cash inflow from operating activities.
- Manage cash flow and liquidity so that variable cash demands can be managed in order to smooth out irregular and cyclical spending and allow for unexpected and unpredictable needs.
- Manage known risks that are not insurable or where insurance does not provide value for money.
- Fund annual capital investment in order to ensure the estate is safe and fit for purpose, and IT and other equipment is up to date and suitable for learning.
- Provide resources for major capital projects including building refurbishments, new buildings, or infrastructure improvements. Reserve levels for this purpose will be agreed on a case by case basis in accordance with the property strategy.

The current period of major capital investment will significantly deplete the reserves held by the College, and these will need to be rebuilt thereafter, in order to mitigate risk and support further investment.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has continued to undertake further work this year to develop and embed its systems of internal control, including financial, operational, and risk management in order to ensure the College is best placed to achieve its objectives.

Based on the strategic plan, the College management team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College.

The internal controls are then implemented and the subsequent year’s appraisal will review their effectiveness and progress against risk mitigation actions during the year.

Members' Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

A risk register is maintained at the College level which is reviewed at each meeting by the Audit & Risk Committee and Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Major Capital Projects impacting on the financial viability/solvency of the College
The College has embarked on a period of significant capital investment including projects for the part disposal of its Plumstead campus and a planned circa £46m rebuild of a new campus on that site. In addition, the College is completing a circa £26m of refurbishments projects at its Bromley campus together with numerous other small capital projects. The complex phasing of these projects during a period of high construction inflation has had a material impact on projects which the College was committed to prior to reclassification.

As a consequence of reclassified as a public sector organisation in November 2022, the College no longer permitted to utilise the commercial banking facilities it had in place to mitigate the risks explained above, and therefore the current challenge is a classification problem.

With cash balances depleting significantly over the 2024/25 and 2025/26 financial years, these projects present a number of risks which include cashflows being materially different from forecasts should the timing of revenue or capital outflows or grant reimbursements being different from that expected.

Major Capital Projects impacting on the financial viability/solvency of the College (continued)

The risk is mitigated in a number of ways:

- Through strong project management and team of professional advisors;
- The phasing of project cash flows to minimise the use of College reserves wherever possible;
- Through working closely with the DfE to assist with any potential cash challenges with this being an issue arising as a consequence of reclassification.
- Regular monitoring of the project budget and cash flow forecasting;
- Close scrutiny of the project together with the overall College financial position by the Corporation, and its committees.

Government Funding Levels & Inflationary Pressures
The College has considerable reliance on continued government funding through the ESFA and GLA. In 2023/24 86% of the College's revenue was ultimately public-funded and this level of requirement is expected to continue. Funding rates per learner for the sector have fallen considerably behind inflation since 2010, with very few increases in Youth funding rates over that period, and no increases to some other funding rates. Whilst this burdens the whole Further Education sector with the challenge of how to fund the cost of living pay award and other inflationary increases each year, the recent unprecedented energy price increases and high levels of inflation, and difficulties in recruiting staff are exacerbating the problem. Moreover, the recent decision of the Government to provide generous funded pay awards for public sector workers has compounded the problem, since the Further Education sector will not benefit from a funded pay award. This cumulative impact of many years of underfunding is placing significant financial pressures on the College revenue budgets which will ultimately impact upon learners.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Government Funding Levels & Inflationary Pressures (continued)

This risk is mitigated in a number of ways:

- By ensuring the College continues to respond to the introduction of reforms, which will include working closely with employers, funding agencies and other Colleges;
- By ensuring the College is rigorous in delivering high-quality education and training;
- Through the strategic alignment of its curriculum offer to job outcomes demand from employers, and government priorities;
- Through strong budgetary control and ensuring the College achieves value for money;
- Through focussing resources on key business priorities;
- Through a relentless focus on the learner experience and achievement.

Recruitment and retention of staff

The current economic climate and historically low funding levels for the sector is having a significant impact on the ability of the College to attract and retain staff. With a number of commercial sectors now offering salaries that the College is unable to compete with, retaining our much valued workforce and attracting staff into the sector is becoming an increasing challenge.

The risk is mitigated in a number of ways:

- Through offering good terms and conditions to staff, including excellent pension benefits, and flexible working wherever possible;
- Through measuring staff satisfaction and ensuring the actions are taken to make improvements for staff;
- Fostering a culture of equality and diversity in which all staff are valued and implementing a health and wellbeing strategy;
- Through offering generous annual leave entitlements including a summer and Christmas closure period;
- Through offering other benefits and rewards to staff such as an annual wellbeing day, volunteering days, etc.

KEY PERFORMANCE INDICATORS

The College has a number of key performance indicators which are explained below:

The College's main learner-related targets for 2023/24 were:

Key performance indicator	Target	Actual
ESFA Youth Learner Numbers	4,023	4,042
Total Adult Education Budget income	£7.72m	£7.21m
Total Apprenticeships Income	£2.52m	£2.33m
Total HE Income	£1.65m	£2.06m
Ofsted rating	Good	Good

Performance against the AEB, Apprenticeship and HE indicators above is due to under recruitment. The AEB underperformance relates to the ESFA contract.

The College's main financial targets for 2023/24 were:

Members’ Report (continued)

KEY PERFORMANCE INDICATORS (continued)

Key performance indicator	Target	Actual
To maintain or improve the adjusted operating deficit each year (prior to exceptional items & non-cash FRS102 adjustments)	£0.25m	£1.26m
To achieve an Education Specific EBITDA of at least 5% each year	5%	4.6%
Achievement of an annual net cash inflow each year before major capital project expenditure	>£0	£3m
An adjusted current ratio target of at least 1.4	2.1	3.2
To maintain a minimum bank balance of £5.5m	£20.7m	£30.3m
Achievement of all annual financial bank loan covenants	Achieved	Achieved

Performance against the FE Commissioner Ratio’s and Targets are as follows:-

Key performance indicator	Target	Actual
Adjusted operating position as a % of income	>1	2.0%
Debt service cover	>2	7.2
Cash days in hand	>25	212
Adjusted current ratio	>1.4	3.2
Staff cost (excl restructuring as a % of income (excl.	65%	65.3%
Financial Health grade	Good or Outstanding	Good

All financial objectives for the year were achieved. Specific financial measures are in place to enable progress against the strategic objectives to be measured. The measures relevant for the duration of this financial plan and performance against those targets are listed in more detail below. The College is required to complete financial returns for the Education and Skills Funding Agency (ESFA). The financial returns produce a financial health grading and the current rating of ‘Good’ for 2023/24 is considered to be a significant achievement in the current FE climate and related economic conditions.

For 2023/24, the College has increased achievement rates at most levels. The overall achievement rate for the College increased from 80.5% in 2022/23 to 83.5%, with 16-18 year old achievement rates increasing from 78.9% to 83.9%, an increase of 5%, and adult learners’ achievement rates improving from 82.2% to 83.1%, an increase of 0.9%. This improvement is seen in outcomes at level entry (+0.8%), level 1 (+1.6%), level 2 (+3.5%), and level 3 (+9.5%).

College leaders and managers will continue to particularly focus on improving learners' achievement rates in English and Maths provision for both young and adult learners at all levels and further improvements in achievement in some level 2 provision, especially in courses where there are exams. There will be also a focus on improving achievement rates on some level 4 adult provision. The College’s overall apprenticeship provision achievement rates improved on last year’s performance, from 46.3% to 52.5%, representing an increase of 6%. The details of learners’ performance are articulated in the college’s Self-Assessment Report (SAR), as the SAR is an accurate assessment of the College’s overall performance.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to

KEY PERFORMANCE INDICATORS (continued)

Payment Performance (continued)
suppliers within 30 days. During this financial period, the College paid 94% of its invoices within 30 days in line with the Treasury target. This is 5% higher than reported in previous year as we manged to recruit to vacant posts and improve our systems and controls during the year

Equality, Diversity & Inclusion
The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. The College values and celebrates diversity of its learners, staff and other stakeholders and is committed to the promotion and advancement of equality in every aspect of its operation. The College will not tolerate any form of discrimination, victimisation or harassment on any grounds. All of the College's learners and members of staff are helped and encouraged to develop their full potential within an ethos which recognises and values the benefits that a diverse workforce supporting a diverse student body can bring to both the local and wider community.

The College complies with the provisions as contained in the Equality Act 2010. Progress toward the achievement of the College's equality objectives, is monitored by the Equality and Diversity Steering Group and regular reports are presented to the Corporation. The College's Equality Policy is published on the College's intranet site.

Disability Statement
The College systematically monitors the diversity of its staff and reviews its recruitment arrangements to support equality and diversity objectives. Equality and Diversity training continues to feature in the Strategic Professional Development Framework, as part of the College's mandatory training requirements.

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned and, where disabled candidates disclose their disability to the College and meet the minimum selection criteria, an interview will be offered. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. The College holds the "two ticks" - positive about disabled people - kite mark.

The College is successful in recruiting a very diverse range of students including a significant number of students with disabilities and continues to work to widen access to all actual and potential learners. Specialist programmes and facilities are provided for students with complex needs and the support needs of students disclosing a learning/disability are assessed and support provided as required.

The College is fully compliant with the provisions as contained in the Equality Act 2010 and the requirements of the Special Education Needs and Disability Act 2001 and continues to work to widen access to all actual and potential learners.

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 relevant union officials during the year	FTE employee number
6	6

Percentage of time spent on facility time:

Members' Report (continued)

Trade union facility time (continued)

Percentage of time	Number of employees
0%	1
1-50%	5
51-99%	-
100%	-

Percentage of pay bill spent on facility time:

Total cost of facility time	£26,570
Total pay bill	£247,943
Percentage of total bill spent on facility time	10.72%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	100%

Streamlined Energy and Carbon Reporting

<u>Quantification and Reporting Methodology</u>
The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

The electricity and gas energy use was compiled from invoices. Where invoices were unavailable, the data was extrapolated to cover the missing period (pro-rata method) to ensure it falls within a reasonable range. Mileage records were used to calculate energy and emissions from College owned vehicles and grey fleet. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

<u>Breakdown of energy consumption used to calculate emissions (kWh):</u>

Energy type	**2023/24**	**2022/23**	**2021/22**
Mandatory requirements:			
Natural gas	3,930,550	4,022,325	6,085,997
Purchased electricity	3.520,566	3,315,372	3,496,475
Transport fuel	51,331	119,324	188,618
Total energy (mandatory)	**7,502,447**	**7,457,021**	**9,771,091**

Members’ Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Breakdown of emissions associated with the reported energy use (tCO_2e)

Emission source	2023/24	2022/23	2021/22
Mandatory requirements:			
Scope 1			
Natural gas	718.9	735.8	1,110.9
Transport - Company owned vehicles	4.5	5.3	34.1
Scope 2			
Purchased electricity (location-based)	-	481.8	676.1
Scope 3			
Transport – Business travel in grey fleet	8.1	8.5	12.2
Total gross emissions (mandatory)	**731.5**	**1231.4**	**1,833.3**
Intensity ratios (mandatory emissions only)			
Tonnes of CO_2e per staff member	1.21	1.50	2.31
Tonnes of CO_2e per square meter floor area	0.014	0.023	0.037

Intensity measurement
Two intensity ratios are reported showing emissions (tCO_2e) per staff member and per square meter floor area. Emissions per staff member is the recommended ratio for the sector for consistency and comparability. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of reported emissions. Both ratios are showing a positive annual trend as we strive to reduce our carbon emissions.

Measures taken to improve energy efficiency
The reported energy usage has increased slightly through more electricity being used. This is likely to result from temperature variability over the summer requiring more cooling, and the increased amount of digital equipment being used for teaching and learning with the first full year of the Nido Volans Lambeth operation, together with operating an additional site for the first full year. The following is a summary of the activities/condition that have supported this position:

(i) Mild weather conditions, meaning we run the heating system less
(ii) Optimisation of our heating and hot water control systems
(iii) Cross College reduction in our heating temperature set points and timings
(iv) More efficient use of our building out of hours and for lettings
(v) Continued upgrading programme of lighting to LED (60-80% more efficient)
(vi) Investment in our heating and ventilation plant, replacing life expired and inefficient components with new highly efficient plant and controls

Looking forwards capital investment and major change is expected to further enhance our dependency on fossil fuels (gas). These include:

(i) A new BREEAM Outstanding Campus is being built to replacing the aging 1960’s building at Plumstead.
(ii) Addition of air source heat pumps coupled with our existing gas boiler for part of the heating system at the Bromley campus Bromley A and B blocks

Members' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

(iii) Replacing old single glazed windows at the Bromley campus with thermally efficient new double glazed units
(iv) Replacing some windows with insulated panels to reduce heat loss and solar gain
(v) Replacement of old inefficient roof lights
(vi) Further investment in LED lighting upgrades

EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

Going Concern

The College has funding contracts in place with the ESFA for 2024/25 which provide a secure income stream for the year based upon current enrolment levels. In addition, the College has secure loan debt in place until October 2027. The medium-term financial plan for the College has been prepared on a prudent basis and demonstrates that financial performance is expected to be sustained and the College will continue to meet its banking covenants. The plan also shows that although cash levels become very low, the College should have sufficient working capital to meet liabilities as they fall due.

The College has commenced the rebuild of its Plumstead campus and has disposed of part of the campus as part of its funding strategy for the project. The new campus will be built on the remaining land owned by the College. This project has been ongoing for over 6 years and has been planned and phased to ensure that disposal proceeds are ahead of expenditure as far as possible. The impact of construction inflation has significantly increased the cost of the project and the loss of existing banking facilities upon reclassification which were in place to mitigate such risks, are expected to place some significant pressures on future cash balances, particularly during 2025/26.

The College has strategies in place to mitigate this risk and continues to work on further steps to reduce this risk.

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

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

David Eastgate
Chair

Statement of Corporate Governance and Internal Control

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

The College endeavours to conduct its business:

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

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

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in July 2015. A revised version of the Code of Good Governance for English Colleges was published in September 2021 following consultation with the Sector and shared with Corporation Members. In the opinion of the Corporation, the College complies with all the provisions of The Code of Good Governance for English Colleges, and it has complied throughout the year ended 31 July 2024. A further revision of The Code of Good Governance for English Colleges has been ongoing through the period, with consultation with the sector and new Code has been approved by the DfE and was published in Autumn 2023. The Corporation approved the adoption of the revised AoC FE Code of Governance from September 2024.

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

The College works closely with London & South East Academies Trust (LSEAT), and in April 2018 the independent boards of each entity agreed to work together to further their strategic aims as London & South East Education Group (LSEEG). Although not a legal entity, LSEEG had a collective turnover circa £99m in 2023/24.

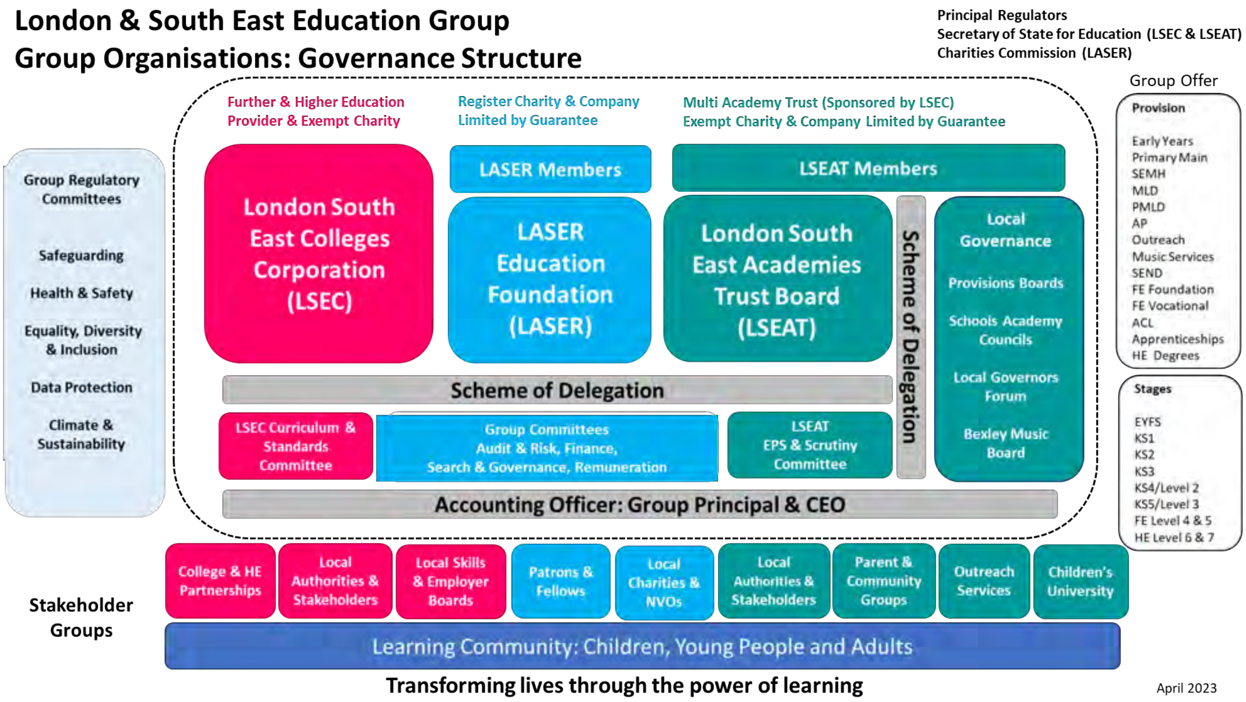
LSEEG is the umbrella organisation to co-ordinate the strategy of the organisations and to optimise and strengthen both governance and collaboration between group entities. This is achieved through schemes of delegation (subject to their non-delegable primary governance responsibilities and authority; their regulatory obligations; and management of potential conflicts of interest). The Group is not a legal entity and organisations as members of the Group are not subsidiary companies which are controlled or owned by LSEEG.

Statement of Corporate Governance and Internal Control (continued)

In January 2023, the College and Trust, as Founding Members approved the formation of a registered charity, London South East Region (LASER) Education Foundation. The charity, has been constituted with aligned charitable objectives to support the College and Trust though fundraising, philanthropy, sponsorship and research and to further enhance the reputation, reach and engagement of the College and Trust with local communities and key stakeholders.

The Group rationale is borne from a shared mission vision and values and seeks to optimise governance alignment through a Group Strategy and provide efficiencies across the organisations. Built on charitable principles and a co-incidence of interest, the Group ethos is founded upon high-quality teaching and learning, the development of curriculum models fitting each school and cohort and a core and bespoke school improvement strategy which focuses on our shared strength.

Governors and Trustees have been appointed to the, Independent Legal Boards and the Joint LSEEG Co-ordinating Committees, ensuring that a balanced combination of Governors and Trustees are represented on the each of these, as defined by the relevant Articles of Association and the Group Organisation Scheme of Delegation. Details of the group governance arrangements are shown below:-



The Corporation

The members, who served on the Corporation during the year and up to the date of signature of this report, are as listed below. The Corporation conducts its business through meetings of the full Board and a number of Committees: Group Audit and Risk (GA&R), Group Search & Governance (GSG), Group Remuneration (GR), Group Finance (GF), Curriculum & Standards (C&S) and Sub-Committee for Capital Programmes established in 2023/24 (CAP). Each Committee has terms of reference, which have been approved by the Corporation, these are published within the Standing Orders available on the College website. The Clerk to the Corporation maintains minutes of meetings and a register of members' financial and personal interests, which are available for inspection, on request to the Group Executive Director of Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.lsec.ac.uk.

The list of Members who served during the period of the financial statements is recorded in the following table below.

Statement of Corporate Governance and Internal Control (continued)

Members of the Corporation serving on the College Board during 2023/24

London South East Colleges (LSEC) Coproration							
Name	**Appointed LSEC**	**Tenure**	**Role**	**Meetings**	**Attended**	**%**	**Resigned**
David Eastgate	09/07/2020	2nd Term	Chair	6	5	83%	
Dr Sam Parrett	n/a	n/a	Governor	6	6	100%	
Mark Trinick	11/12/2019	2nd Term	Governor	6	3	50%	
Louise Nadal	06/01/2020	2nd Term	Vice Chair	6	6	100%	
Lucie Allen	09/07/2020	2nd Term	Governor	6	4	67%	
David Bailey	21/10/2021	1st Term	Governor	6	6	100%	31/07/2024
Joanne Bell	08/12/2021	1st Term	Governor	3	3	100%	31/03/2024
Angela Hands	13/07/2022	1st Term	Governor	6	6	100%	
Mark Burnett	13/07/2022	1st Term	Governor	6	5	83%	
Vince Fihosy	13/10/2022	1st Term	Governor	6	5	83%	
Darren Kirwin	23/03/2023	1st Term	Governor	6	5	83%	
Tony Gilbey	23/03/2023	1st Term	Governor	5	5	100%	30/06/2024
Sarah Lewis	23/03/2023	1st Term	Governor	6	6	100%	
Kate Shiner	23/03/2023	1st Term	Governor	6	6	100%	
George Ryan	01/08/2023	1st Term	Governor	6	6	100%	
Philip Le Feuvre	08/05/2024	1st Term	Governor	2	2	100%	
Julie Asher Smith	10/07/2024	1st Term	Governor	1	1	100%	
Paul Thorogood	01/10/2024	1st Term	Governor	0	0	n/a	
Teresa Langford	18/12/2022	1st Term	Staff Governor	6	6	100%	
Maz Potts	18/12/2022	1st Term	Staff Governor	1	1	100%	01/12/2023
Ruby Davies	18/12/2023	1 year	Student Governor	5	5	100%	31/07/2024
Nicole (Runako) Mundondo	01/09/2024	1 year	Student Governor	0	0	n/a	
		Total Attendance		101	92	91%	

David Eastgate, Chair of the Corporation was appointed Chair from 1 January 2022.

The Corporation is provided with regular and timely information on the overall performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. A Full Corporation Meeting was convened six times during the year.

All Corporation members are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the independent Clerk to the Corporation (the Group Chief Governance Officer), who is responsible to the Board for ensuring compliance with all applicable legislation, procedures and regulations.

The appointment, evaluation and removal of the Group Chief Governance Officer are matters for the Corporation as a whole.

Statement of Corporate Governance and Internal Control (continued)

Clear and robust Terms of Reference have been approved for each Board and Committee alongside Schemes of Delegation. These all provide assurance together with strong governance accountability across the Group and the Legal Boards formal agendas, papers and reports are supplied to Corporation members and each Group Committee in a timely manner, prior to meetings. Briefings are provided on an ad-hoc basis.

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

There is a clear division of responsibility in that the roles of the Chair of the Corporation and Accounting Officer (CEO & Principal) of the College are separate.

Following the success of online meetings during covid and increased participation and engagement the Corporation continue to offer hybrid meetings with Board Meetings in person and Committee Meetings online.

A Governors Links and Visits Programme was in operation throughout 2023/24 with Governors visiting most areas of the college and sites, engaging with both staff and students.

Scrutiny of teaching and learning and oversight of the student experience was covered within the Curriculum & Standards Committee and within reports to the Corporation and observed during the visits and links programme.

Appointments to the Corporation
Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole following recommendation from the LSEEG Governance & Search Committee. This Committee comprises four members with the power of co-option of further members external to the College or College staff with particular expertise when vacancies arise where a person with a certain background may be required. This Joint Group Co-ordinating Committee is responsible for the selection and nomination of any new member consideration. The Board is responsible for ensuring that appropriate training is provided as required and the Clerk to the Corporation is designated to support and facilitate the training and induction of new Governors.

The Corporation has agreed to adhere to the recommendation in the AoC Code of Good Governance for English Colleges that no members should serve more than two terms of office (or eight years).

Members of the Corporation are appointed for a term of office not exceeding four years, with the exception of student members who are appointed for a term of office not exceeding one year.

Corporation performance
The Corporation is responsible for the strategic oversight of the College, is the guardian of public money and ensures its effective and efficient use. Self-evaluation is a process for the Board to consider its effectiveness and impact and at LSEC an annual self-evaluation of the board and individual members of the Corporation has taken place since 2019.

The self-assessment framework used at LSEC aligns to the AOC Code of Good Governance for English Colleges' expectations, in setting out core values. The Code adopts and builds on the Seven Principles of Public Life which provide an ethical framework for the personal behaviour of governors.

Statement of Corporate Governance and Internal Control (continued)

The Code is based on a number of expectations of good governance, which illustrate the values and beliefs of college governors, and which are included in the LSEC Board Review.

Underpinning the self-assessment of the LSEC Board is the acceptance of the ten principal responsibilities and objectives for Governors at LSEC as below.

1. Formulate and agree the mission and strategy including defining the ethos of the organisation.
2. Be collectively accountable for the business of the organisation taking all decisions on all matters within their duties and responsibilities.
3. Ensure there are effective underpinning policies and systems, which facilitate the pupil or student voice.
4. Foster exceptional teaching and learning.
5. Ensure the organisation is responsive to workforce trends by adopting a range of strategies for engaging with employers and other stakeholders.
6. Adopt a financial strategy and funding plan which are compatible with the duty to ensure sustainability and solvency of the organisation.
7. Ensure that effective control and due diligence takes place in relation to all matters including acquisitions, subcontracting and partnership activity.
8. Meet and aim to exceed statutory responsibilities for equality and diversity.
9. Ensure that there are organised and clear governance and management structures with well understood delegations.
10. Regularly review governance performance and effectiveness.

As an ESFA regulatory requirement, the Corporation was subject to an External Board Review. This was conducted by Rob Lawson, who is a National Leader of Governance. The External Board Review was commissioned through the Association of Colleges, using a sector based prescribed framework commencing in January 2024 through to May 2024.

The overall conclusion of the External Board Review is that the Corporation consistently impacts positively on college outcomes and there is strong evidence that it is highly proficient in most or all of the Board outcomes.

As part of the College’s self-assessment process, the Corporation conducted a self-assessment of its own performance for the year ended 31 July 2024. The framework for the review was adapted and modified to align to the new AOC Governance Code the Corporation approved to adopt in 2024.

This identified key areas of strength and challenge together with areas that required development and growth in capacity to improve governance effectiveness. A Board Action plan is in place to address areas where there is capacity to improve, and the overall assessment of the Corporation is that its governance for the year was effective. This also includes the actions from identified from the External Board Review.

An important output of individual Governors’ reviews and the Board overall review is the assessment and training, and development needs identified. Both individually and collectively the Board is invited to training and development activities, through the Association of Colleges, Education Training Foundation and bespoke updates on government policy changes and Ofsted. Some training and development are designated specifically for the Chair, Vice Chair and Committee Chairs. This supports succession planning and board recruitment ensuring that there is the right mix and balance of skills and experience on the Corporation who can ask the difficult questions, scrutinise and hold the Executive Team to account.

Statement of Corporate Governance and Internal Control (continued)

Throughout 2023/24, members of the Corporation have participated in training and developing events, including networking events for Chairs and Vice Chairs, Finance Committee Chair Training, Audit and Curriculum & Standards Networking Events. The Board has also received updated guidance from external professional bodies, on ONS, Ofsted EIF, the Post 16 Education & Training Act 2022.

The Group Chief Governance Officer and Clerk to the Board has also participated in a number of networking and training and development sessions including, Ofsted, Curriculum and Qualification Reforms, HE Development and Risk Management.

The Group CEO and Group CFO are also both NLFEs and participate in professional development to support their work with underperforming FE Corporations and Colleges in the sector.

Group Remuneration Committee

Throughout the year ended 31 July 2024, the Group Remuneration Committee comprised three members. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the CEO & Principal, senior post-holders, and other senior staff in accordance with the Group Executive Pay Policy approved by the Corporation.

The College has adopted the AoC's Senior Staff Remuneration Code and to the extent to which it applies, the Higher Education Senior Staff Remuneration Code issued by the Committee of University Chairs (CUC). The remuneration for the CEO & Principal is considered annually by the Group Remuneration Committee, which makes a recommendation to the Corporation regarding the remuneration of the CEO & Principal. The CEO & Principal is not involved in setting their remuneration.

As indicated elsewhere in these financial statements, London South East Colleges is a successful leading provider of further and higher education in South East London with an annual turnover of circa £58m, over 9,670 students and 950 members of staff (Headcount), with activities across seven campuses in South East London. Like other providers of further education, the College operates under significant financial constraints in an increasingly competitive student market, linked to demographic factors and regular changes in government policy.

The role of the CEO and Principal also covers London & South East Academies Trust (LSEAT). As a Multi Academy Trust, LSEAT consists of 13 Schools which are a mixture of Special, Alternative Provision, and Primary Mainstream. The Trust has an annual turnover of circa £41m, over 2,145 pupils, and 708 members of staff. Collectively, these organisations form the London and South East Education Group, for which the CEO and Principal is responsible.

The other factors considered by the Committee in determining the appropriate remuneration for the CEO and Principal include the result of a job evaluation and benchmarking exercise this was completed by Korn Ferry Group in October 2023 using benchmarking data on heads of similar institutions.

In addition, the Committee consider the assessment by the Chair and Corporation of the personal performance of the CEO & Principal against agreed objectives, together with the overall performance of the business. A similar approach was also used to determine the remuneration of the Group Executive Officers including the Group Chief Governance Officer. Taking these factors into account, the Corporation considers the remuneration of the CEO and Principal to be fair, appropriate, and justifiable.

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

Statement of Corporate Governance and Internal Control (continued)

Group Remuneration Committee (continued)

Details of the attendance of Group Remuneration Committee Members during 2023/24 are set out below:-

GROUP REMUNERATION COMMITTEE				
Role	**Name**	**Meetings**	**Attended**	**%**
Group Remuneration Committee Chair	Stephen Howlett, CBE DL	2	1	**50**
Chair LSEC Corporation	David Eastgate	2	2	**100**
Chair London South East Academies Trust	Rama Venchard MBE	2	2	**100**
		6	5	50
Group Chief People Officer	Janet Curtis Broni	2	2	**100**
Group Chief Governance Officer	Jennifer Pharo	2	2	**100**

Group Audit and Risk Committee

The Group Audit and Risk Committee comprises up to four members of the College Corporation and London South East Academies Trust but not the Chair or CEO & Principal. The internal and external auditors were in attendance for each meeting. The Committee operates in accordance with written terms of reference approved by the Corporation and London South East Academies Trust

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

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

Management is responsible for the implementation of agreed recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. The Committee also advises the Corporation on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work and approves the fees to be paid.

The Group Audit and Risk Committee is required to report to the Corporation on the result of its work during the year and that of the internal and external auditors through its annual Audit Committee Report, for 2023/24. This report is considered by the Corporation prior to the financial statements being approved.

Details of the attendance of Group Audit & Risk Committee Members during 2023/24 are set out below:-

Statement of Corporate Governance and Internal Control (continued)

Group Audit and Risk Committee (continued)

GROUP AUDIT & RISK COMMITTEE				
		Meetings	Attended	%
Group Audit & Risk Committee Chair	Marek Michalski	3	3	**100**
Governor and Trustee	David Bailey	3	3	**100**
Governor	Sarah Lewis	3	3	**100**
Trustee	Danny Kwalombota	3	3	**100**
Internal Auditors	Scrutton Bland	3	3	**100**
External Auditors	Buzzacott	3	3	**100**
Total Participation		**18**	**18**	**100**
Group Chief Governance Officer	Jennifer Pharo	3	3	**100**

Group Finance Committee

The Group Finance Committee comprises six members of the College Corporation and London South East Academies Trust Boards. The Committee operates in accordance with written terms of reference approved by the Corporation and Trust Board

The Committee meets on a termly basis and provides additional scrutiny over financial performance of the College and related policies. Through this work, it provides assurances to the Corporation that financial performance, oversight, and solvency are being managed effectively. A special Finance Committee was convened in November 2023 to discuss the Future Greenwich Capital Programme. Details of the attendance of the Group Finance Committee Members during 2023/24 is set out below:-

GROUP FINANCE COMMITTEE				
		Meetings	Attended	%
Group Finance Committee Chair (resigned Mar 24)	Angela Hands	3	3	**100**
Group Finance Committee Chair (from March 24)	David Eastgate	4	3	**75**
Trustee	Charles Yates	4	4	**100**
Trustee	Dr Sam Parrett, CBE	4	4	**100**
Governor	Joanne Bell (Resigned 03/24)	3	3	**100**
Trustee	Danny Kwalombota (Moved to A&R Oct 24)	1	1	**100**
Governor	Tony Gilbey	4	4	**100**
Trustee	Sarah Servantes	4	4	**100**
Trustee	Milena Cooper	1	1	**100**
Total Participation		**28**	**27**	**96**
Group Chief Governance Officer	Jennifer Pharo	4	4	**100**

Group Search & Governance Committee

The Group Search & Governance Committee comprises four members of the College Corporation and LSEEG Boards. The Committee operates in accordance with written terms of reference approved by the Corporation and Group Board.

Statement of Corporate Governance and Internal Control (continued)

Group Search & Governance Committee (continued)

The Committee provides scrutiny on appointment of Governors, identifies skills gaps in the Board, oversees the delivery of the Board Self-Assessment and performance reviews of Governors. The Committee also provides direction on strategic and policy matters, recommends Group wide policies, Committee Terms of Reference, Committee Membership and Governor Link Schemes.

Details of the attendance of the Group Search & Governance Committee Members during 2023/24 is set out below:-

GROUP SEARCH & GOVERNANCE COMMITTEE				
Role	**Name**	**Meetings**	**Attended**	**%**
Group Search & Governance Committee Chair	Stephen Howlett, CBE DL	1	1	**100**
Chair London South East Academies Trust	Rama Venchard MBE	1	1	**100**
Chair LSEC Corporation	David Eastgate	1	1	**100**
Governor & Trustee	Dr Sam Parrett, CBE	1	1	**100**
		4	**4**	**100**
Group Chief Governance Officer	Jennifer Pharo	1	1	**100**

Curriculum & Standards Committee

The Curriculum & Standards Committee comprises ten members of the College Corporation. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Committee meets on a termly basis and provides scrutiny and oversight on student outcomes and progress, the quality of teaching and learning and curriculum and qualification development. The Committee also seeks assurance on the student experience, complaints and safeguarding policy and procedures.

Details of the attendance of the curriculum and Standards Committee Members during 2023/24 are set out below:-

LSEC CURRICULUM & STANDARDS COMMITTEE				
Role	**Name**	**Meetings**	**Attended**	**%**
C&S Committee Chair	Mark Trinick	3	3	**100%**
Governor	Darren Kirwin	3	3	**100%**
Governor	Angela Hands	3	3	**100%**
Governor	Lucie Allen	3	1	**33%**
Governor	Louise Nadal	3	2	**67%**
Governor	George Ryan	3	2	**67%**
Governor	Mark Burnett	3	2	**67%**
Governor	Kate Shiner	3	2	**67%**
Governor	Philip Le Feuvre	1	1	**100%**
Governor	Dr Sam Parrett, CBE	3	2	**67%**
		28	**21**	**75%**
Group Chief Governance Officer	Jennifer Pharo	3	3	**100**

Capital Committee

During 2023/24 the Corporation approved the constitution of a sub-committee to provide additional scrutiny on the College Capital Programmes including the Future Greenwich, FECTF and Post 16/T-Level capital projects. The Committee met three times in 2023/24 to support agile decisions and resolutions on specific capital issues, in between Full Corporation Meetings.

Details of the attendance of the Capital Committee Members during 2023/24 are set out below:

CAPITAL COMMITTEE				
		Meetings	**Attended**	**%**
Governor & Committee Chair	Mark Burnett	3	3	**100**
Governor and Chair Corporation	David Eastgate	3	3	**100**
Governor	David Bailey	3	2	**67**
Governor	Dr Sam Parrett, CBE	3	3	**100**
Governor	Tony Gilbey	3	3	**100**
Governor	Angela Hands	3	2	**67**
Governor	Mart Trinick	3	3	**100**
Governor	Vince Fihosy	3	3	**100**
Total Participation		**24**	**22**	**92**
Group Chief Governance Officer	Jennifer Pharo	3	3	**100**

Internal Control

Scope of Responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks 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 the College throughout the year ended 31 July 2024 and up to the date of approval of this annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

Statement of Corporate Governance and Internal Control (continued)

Internal Control (continued)

Capacity to handle risk (continued)

The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation.
- Regular reviews by the Corporation of periodic and annual financial reports, which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice.* The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee.

At least annually, the Internal Auditor provides the Audit Committee of the Corporation with a report on internal audit activity in the College. The report includes the Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, control and governance processes.

Risks Faced by the Corporation

The College has in place a Risk Management Policy which sets out how risks are identified and evaluated. Risks are collated into a comprehensive risk register for review by the Audit Committee and Corporation, including through deep dives into areas of significant risk. The risk register includes existing controls, new controls/improvements that are required, and clear links to the board assurance framework.

Responsibilities under Funding Agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and a college financial handbook has been introduced for 2024/25. A series of bite size guidance documents were issued by the DfE on the key changes that required oversight and authority from the DfE. The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement of Corporate Governance and Internal Control (continued)

Internal Control (continued)

Statement from the Audit & Risk Committee
The Audit & Risk Committee has advised the board of governors that the Corporation has an effective framework for governance and risk management in place. The Audit & Risk Committee believes the Corporation has effective internal controls in place.

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 are:

- Scrutiny and review of the findings of the planned internal auditors programme of work including the following areas and an analysis of any value added points provided by the internal auditors and areas of good practice.

    - Single Central Record
    - OFS Compliance
    - Payroll and Pensions
    - Risk Management
    - Estates management
    - Human Resources, Recruitment and Retention
    - Lecturer Deployment and Room Utilisation
    - Cyber Security
    - Examinations
    - Procurement, Income and Debtors
    - GDPR
    - Funding Assurance
    - Management of Capital Projects
    - Actions follow up on audit

- Consideration of the impact of ONS reclassification and directives of the FE Commissioner, proposed changes to the Governance Code and external Governance reviews.
- Review of the annual Board Assurance Framework, Value for Money and Subcontracting Controls.
- Review and assessment of the internal and external auditors' performance.
- The committee carried deep dive scrutiny on Capital Projects and the Ofsted Readiness.
- As a standing item at every meeting, the Committee completed a full review of the Risk Registers including analysis of increased and decreasing risks.

Review of effectiveness
As Accounting Officer, the Group CEO & Principal has responsibility for reviewing the effectiveness of the system of internal control. This review of the effectiveness of the system of internal control is informed by:

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

The Accounting Officer has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of

Statement of Corporate Governance and Internal Control (continued)

Review of effectiveness (continued)

the internal auditor and other sources of assurance. A plan to address weaknesses and ensure continuous improvement of the system is in place.

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 11 December 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2024.

The Internal Auditors Annual Report, presented to the Group Audit Committee on 27 November 2024, and the Audit Committee’s Annual Report, approved on 27 November 2024 contain the opinion that the College has adequate and effective risk management, governance, and internal control processes, together with adequate processes surrounding its efficiency and effectiveness.

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

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

David Eastgate	Dr Sam Parrett, CBE
Chair	**Group CEO & Principal, and 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, priority and compliance, and the requirements of the college's accountability agreement, funding agreements and contracts with ESFA and DfE, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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

As reported last year, during the summer of 2023 the College was the victim of a small payment diversion fraud which was perpetrated by a member of staff. The fraud was quickly discovered and investigated independently. The actions arising from this review have been implemented and our controls improved to help ensure there is no future recurrence. The fraud attributable to 2023/24 totalled £5,575. The College is taking steps to recover the loss from the perpetrator and through its insurers.

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

Dr Sam Parrett, CBE
Accounting officer
11 December 2024

Statement of the Chair of Governors

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

David Eastgate
Chair of Governors
11 December 2024

Statement of Responsibilities of the Members of the Corporation

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

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report), and
- 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, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

Statement of Responsibilities of the Members of the Corporation (cont.)

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, DfE and other public bodies are not put at risk.

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

David Eastgate
Chair of Governors

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education

Opinion
We have audited the financial statements of Bromley College of Further and Higher Education for the year ended 31 July 2024 which comprise the statement of comprehensive income, 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of the College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- in all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- in all material respects, funds provided by the OfS, the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

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

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

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

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

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education (continued)

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

We have nothing to report to you in respect of the following matter, in relation to which the Office for Students requires us to report to you, if in our opinion:

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

Responsibilities of the Corporation

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

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

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

Independent auditor’s report to the Corporation of Bromley College of Further and Higher Education (continued)

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

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

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

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

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

Use of our report

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

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 18 December 2024

Independent Reporting Accountant's Report on Regularity

To: The Corporation of Bromley College of Further and Higher Education and Secretary of State for Education acting through Education and Skills Funding Agency (the ESFA)

In accordance with the terms of our engagement letter dated 22 August 2023 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Bromley College of Further and Higher Education 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 the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of Bromley College of Further and Higher Education and the reporting accountant

The corporation of Bromley College of Further and Higher Education 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 the Code 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.

Independent Reporting Accountant’s Report on Regularity (continued)

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the 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 the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 18 December 2024

Statements of Comprehensive Income
Year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
Income			
Funding body grants	2	41,508	38,728
Tuition fees and education contracts	3	4,543	4,985
Other grants and contracts	4	8,426	7,363
Other Income	5	2,057	1,725
Investment income	6	1,550	717
Total income		58,084	53,518
Expenditure			
Staff costs	7	34,728	34,193
Other operating expenses	8	18,545	15,419
Depreciation	12	4,127	4,248
Interest and other finance costs	9	(800)	273
Total expenditure		56,600	54,133
Surplus/(Deficit)before other gains and losse and tax		1,484	(615)
Gain on disposal of assets		274	8,873
Surplus before taxation		1,758	8,258
Taxation	10	—	—
Surplus for the year		1,758	8,258
Actuarial (loss)/gain on defined benefit pensions	24	(136)	1,575
Total Comprehensive income for the year		1,622	9,833
Represented by:			
Restricted comprehensive income		—	447
Unrestricted comprehensive income		1,622	9,386

Statements of Changes in Reserves
Year ended 31 July 2024

	Income and Expenditure account	Revaluation reserve	Restricted Reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2022	**35,112**	**12,872**	**497**	**48,482**
Deficit from the income and expenditure account	8,258	—	—	**8,258**
Other comprehensive income	1,575	—	(7)	**1,568**
Transfers between revaluation and income and expenditure reserves	6,720	(6,720)	—	—
Balance at 1 August 2023	**51,667**	**6,152**	**490**	**58,310**
Surplus from the income and expenditure account	1,758	—	—	**1,758**
Other comprehensive income/(expenditure)	(136)	—	—	**(136)**
Deficit inherited upon merger (NVL)	(95)	—	—	**(95)**
Transfers between restricted (LSFG) reserve and income and expenditure reserves	447	—	(447)	—
Transfers between revaluation and income and expenditure reserves	460	(460)	—	—
Total comprehensive income/(expenditure) for the year	**2,434**	**(460)**	**(447)**	**1,527**
Balance at 31 July 2024	**54,102**	**5,691**	**43**	**59,836**

Balance Sheet
as at 31 July 2024

	Notes	**2024 £'000**	2023 £'000
Non-current assets			
Tangible fixed assets	12	75,367	66,945
Long Term Debtors	13	1,444	1,444
		76,811	68,389
Current assets			
Trade and other receivables	14	2,363	9,978
Short Term Deposits		4,248	5,102
Cash and cash equivalents	19	26,096	21,333
		32,707	36,413
Less: Creditors – amounts falling due within one year	15	(12,675)	(12,969)
Net current assets		20,031	23,444
Total assets less current liabilities		96,842	91,833
Less: Creditors – amounts falling due after more than one year	16	(36,054)	(32,607)
Provisions			
Defined benefit obligations	18	(65)	-
Other provisions	18	(888)	(916)
TOTAL NET ASSETS		59,836	58,310
Reserves			
Restricted reserves – LSEC		43	43
Restricted reserves - LSFG		-	447
Income and expenditure account		54,102	51,667
Revaluation reserve		5,691	6,152
Total Reserves		59,836	58,310

The financial statements on pages 53 to 78 were approved and authorised for issue by the Corporation on 11 December 2024 and were signed on its behalf on that date by:

David Eastgate
Chair

Dr Sam Parrett, CBE
Group CEO & Principal, and Accounting Officer

Statement of Cash Flows

	Notes	2024	2023 Restated
		£'000	£'000
Cash flow from operating activities			
Surplus/(deficit) for the year		1,484	(615)
Adjustment for non-cash items			
Depreciation		4,127	4,248
(Increase)/decrease in debtors due within one year		554	(1,343)
(Decrease)/increase in creditors due within one year		(294)	(2,687)
Increase/(decrease) in creditors over one year excluding capital grants		657	—
Receipt of short-term capital grants during the year		141	2,578
Release of deferred capital grants	2	(1,754)	(1,727)
Decrease in provisions		(28)	(181)
Pensions costs less contributions payable		(166)	1,575
Adjustment for investing or financing activities			
Investment income	6	(1,273)	(261)
Interest payable	9	374	263
Net cash inflow from operating activities		3,822	1,850
Cash flows from investing activities			
Proceeds from sale of fixed assets		274	8,873
Disposal of non-current asset investments		—	7,826
Investment income - New Deposits		1,273	261
Increase in capital debtors due within one year		7,061	(7,061)
Increase in capital debtors due after one year		—	(1,444)
Receipts of capital grants during the year		4,564	824
Withdrawal of deposits		854	—
New Deposits		—	(5,102)
Payments made to acquire fixed assets		(12,549)	(3,733)
		1,477	444
Cash flows from financing activities			
Interest paid	9	(374)	(263)
Repayments of amounts borrowed		(162)	(873)
		(536)	(1,136)
Increase in cash and cash equivalents in the year		**4,763**	**1,158**
Cash and cash equivalents at start of the year	19	21,333	20,175
Cash and cash equivalents at end of the year	**19**	**26,096**	**21,333**

Notes to the Financial Statements

1. Accounting policies

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

Basis of preparation
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE/HE SORP), the College Accounts Direction for 2023 to 2024 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

Going concern
The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members report. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £4.1m of term loans outstanding with Barclays Bank on terms negotiated in 2022 for a period of 5 years which is secured by a fixed charge on College assets. The College's forecasts and financial projections indicate that it will be able to operate within its existing bank facility levels for the foreseeable future. The College has submitted copies of its 3 year financial plans to the ESFA and its providers of loan finance for review and no going concern issues have been raised.

The Corporation considers that it continues to be a going concern and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

<u>Revenue Grant Funding</u>
Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the statement of comprehensive income. 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 the OFS represents the funding allocation attributable to the current financial year and is credited direct to the Statement of Comprehensive Income. Should part of this grant be deferred, the deferred element is recognised as deferred income within creditors and

1. Accounting policies (continued)

Revenue Grant Funding (continued)
allocated between creditors due within one year and creditors due after more than one year as appropriate.

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 capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Capital grants received for specific capital projects are treated in the statement of cashflows as investing activities together with the payments to acquire the assets to which they relate. Capital grant allocations which are not related to a specific capital project at the point of receipt, are treated as an operating cashflow and are included within the change in creditors due in more than 1 year. The statement of cashflows for 2023 has been restated in accordance with this policy.

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 statement of comprehensive income in the period in which it is earned on a receivable basis.

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

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

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

1. Accounting policies (continued)

Accounting for post-employment benefits (continued)

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

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

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

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

The LGPS surplus is not carried on the balance sheet in accordance with the requirements of FRS 102. Accordingly, a corresponding adjustment against the actuarial gain has been made to bring the net LGPS position to £nil on the balance sheet. The Nido Volans Lambeth scheme however reports a deficit which is reflected in the accounts.

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

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

Non-current assets - Tangible fixed assets
Tangible fixed assets are stated at cost/deemed 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.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Land and buildings
Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 15 and 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. On adoption of FRS102, the College followed the transitional provision to retain the book value of land and buildings as deemed cost but not to adopt a policy of revaluations of these properties in the future.

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

Subsequent expenditure on existing fixed assets
Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

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

Equipment
Equipment costing less than £5,000 per individual item is recognised as expenditure in the period of acquisition, with the exception of the annual IT equipment upgrade which may include individual items below this level but is capitalised at cost. All other equipment is capitalised at cost and depreciated on a straight-line basis over the following periods:

- Computer equipment: 3 - 5 years
- Smartboards: 5 - 10 years
- Office equipment: 3 - 5 years
- Furniture, fixtures and fittings: 5 - 10 years
- Plant 15 - 20 years

1. Accounting policies (continued)

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. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding agency capital equipment grants, the associated assets are designated as grant -funded assets.

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

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

Short term deposits
Short term deposits are fixed term deposit accounts with a maturity date between three and twelve months.

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

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (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.

Taxation
The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

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

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

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

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

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, including goodwill. 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.

<u>Key sources of estimation uncertainty</u>

<u>Tangible fixed assets</u>
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.

<u>Local Government Pension Scheme</u>
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 24, 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.

Notes to the Financial Statements (continued)

2 Funding Council Grants

Recurrent grants	2024 £'000	2023 £'000
Education and Skills Funding Agency – adult	**11,375**	11,089
Education and Skills Funding Agency – 16-18	**25,959**	23,624
Education Funding Agency – Apprenticeships	**2,338**	2,203
Higher Education Funding Council	**82**	85
Specific Grants		
Releases of government capital grants	**1,754**	1,727
Total	**41,508**	**38,728**

Included within the above are:

OfS Grants and income	2024 £'000	2023 £'000
HE Recurrent Grant	**82**	85
HE Contracts and Fees	**1,647**	2,018

3 Tuition fees and education contracts

	2024 £'000	2023 £'000
Adult education fees	**1,284**	1,322
Apprenticeship fees and contracts	**1,138**	1,057
Fees for FE loan supported courses	**473**	587
Fees for HE loan supported courses	**390**	600
Total Tuition Fees	**3,286**	3,566
Education contracts	**1,257**	1,418
Total	**4,543**	**4,985**

4 Other grants and contracts

	2024 £'000	2023 £'000
Other grants and contracts	8,426	7,363
Total	**8,426**	**7,363**

Notes to the Financial Statements (continued)

5 Other income

	2024 £'000	2023 £'000
Catering and residences	**331**	338
Other income generating activities	**218**	150
Miscellaneous income	**1,508**	1,237
Total	**2,057**	**1,725**

6 Investment income

	2024 £'000	2023 £'000
Bank Interest received	**1,273**	261
Other investment income (unrealised)	**277**	456
Total	**1,550**	**717**

Other investment income (unrealised) represents income on investment held with Kingswood Group.

7 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as head count, was:

Headcount basis	**2024 No.**	**2023 No.**
Teaching staff	445	434
Non-teaching staff	502	504
Total	**947**	**938**

Staff costs for the above persons

	2024 £'000	2023 £'000
Wages and salaries	**28,537**	**28,121**
Social security costs	**2,402**	**2,175**
Other pension costs	**3,378**	**3,602**
Payroll Sub Total	**34,317**	**33,898**
Redundancy & restructuring costs – Contractual	**411**	**296**
Total Staff Costs	**34,728**	**34,193**

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Staff Severance Payments

Within the redundancy and restructuring costs referred to above, the College paid 11 severance payments during the year in the following bands:-

Band	No. of staff
£0 - £25,000	11

Included in staff restructuring costs are special severance payments totalling £113,322.89 (2023: £60,525.96). Individually, the payments were: £18,900.00, £18,325.50, £17,039.50, £13,253.73, £11,515.82, £11,109.50, £6,183.63, £5,787.00, £5787.00, £4,200.00 and £1,221.21.

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 Team which comprised the Group CEO & Principal, College Executive Principal & Chief Learning Officer, Group Chief Financial Officer, Group Chief Strategy Officer, Group Chief People Officer, and Group Chief Information and Estates Officer.

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

	2024 No.	2023 No.
The number of key management personnel including the CEO & Principal was:	**6**	**6**

Of the Key Management Personnel, the Group Chief Executive Officer, and Group Chief Financial Officer have separate contracts of employment covering their work for London & South East Academies Trust (LSEAT). The values reported below represent the emoluments paid in respect of the duties of employment for the College Group. The value of the work carried out for LSEAT will be reported in the accounts of that entity as appropriate.

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

Notes to the Financial statements (continued)

7 Staff costs (continued)

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

	Key management personnel		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £65,000	-	-	4	2
£65,001 to £70,000	-	-	3	8
£70,001 to £75,000	-	-	6	3
£75,001 to £80,000	-	-	6	1
£80,001 to £85,000	-	-	2	-
£85,001 to £90,000	1	-	-	1
£90,001 to £95,000	-	1	1	2
£100,001 to £105,000	-	-	1	1
£105,001 to £110,000	-	-	2	1
£110,001 to £115,000	-	1	-	1
£115,001 to £120,000	1	-	1	-
£120,001 to £125,000	1	2	-	-
£130,001 to £135,000	1	1	-	-
£145,001 to £150,000	1	-	-	-
£220,001 to £225,000	1	1	-	-
	6	**6**	**26**	**20**

Key management personnel compensation is made up as follows:

	2024	2023
	£'000	**£'000**
Salaries	754	722
Retention and additional responsibility allowances	25	28
Payment for untaken annual leave	21	33
Employer's National Insurance	111	107
Flexible benefits	30	25
Total Key management personnel compensation	**942**	**915**
Pension contributions	69	119
Total emoluments	**1,011**	**1,034**

Notes to the Financial Statements (continued)

7 Staff costs (continued)

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer).

	2024 £'000	2023 £'000
Salaries	**165**	**166**
Retention and additional responsibility allowances	**10**	**10**
Payments for untaken annual leave	**14**	**23**
Flexible benefits	**30**	**25**
	220	**224**
Pension contributions	**—**	**—**

In addition to the total compensation due for the year above of £220k, the Accounting Officer was also paid an additional £16,917 in respect of a historic salary underpayment error covering a period of 5 years. This has not been included within the total compensation due for the year or the CEO and Principal's pay multiples below as this would not otherwise accurately show the actual values and multiplies due for the financial year.

The Governors adopted AoC's Senior Staff Remuneration Code in July 2020 and assessed pay in line with its principles.

The remuneration package of key management staff, including the CEO & Principal, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The CEO & Principal reports to the Governors, who undertakes an annual review of her performance against the college's overall objectives using both qualitative and quantitative measures of performance.

Relationship of CEO & Principal pay and remuneration expressed as a multiple

	2024	2023
CEO & Principal's basic salary as a multiple of the median of all staff	4.5	4.8
CEO & Principal and CEO's total remuneration as a multiple of the median of all staff	4.6	4.7

The Members of the Corporation, other than the Group CEO & Principal and the staff members did not receive any payment from the College, other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Notes to the Financial Statements (continued)

8 Other operating expenses

	2024 £'000	2023 £'000
Teaching costs	**5,671**	5,362
Non-teaching costs	**6,290**	4,742
Premises costs	**6,584**	5,315
Total	**18,545**	**15,419**

Other operating expenses include:

	2024 £'000	2023 £'000
Auditors' remuneration:		
Financial statements audit	**65**	61
Other services provided by statutory auditor	**6**	5
Internal audit	**65**	74
Hire of assets under operating leases	**172**	**181**

9 Interest payable

	2024 £'000	2023 £'000
On bank loans, overdrafts and other loans:	**374**	263
Pension finance costs (note 24)	(1,174)	10
Total	**(800)**	**273**

10 Taxation

The College was not liable for any Corporation tax arising out of its activities during this year.

11 Write-offs and Losses, Guarantees and Letters of Comfort.

The College pays close attention to the control of debts, but never the less, there is inevitably a need to write off some debts after debt collection procedures have been exhausted, or is not economically viable to pursue the remaining debt. During the year the total value of debts written off was £38,680, with none above £5,000.

The College has not provided any guarantees outside of its normal course of business and has not provided any letters of comfort to any entity.

Notes to the Financial Statements (continued)

12 Tangible fixed assets

	Freehold Land & Buildings	Assets Under Construction	Leasehold Land & Buildings	Equipment	Total
Cost or valuation	**£'000**		**£'000**	**£'000**	**£'000**
At 1 August 2023	97,826	5,340	1,142	5,074	109,382
Additions	810	10,995	—	744	12,549
Disposals	—	—	—	(205)	(205)
At 31 July 2024	98,636	16,335	1,142	5,613	121,726
Depreciation					
At 1 August 2023	37,150	—	1,142	4,145	42,438
Charge for the year	3,013	—	—	1,114	4,127
Elimination in respect of disposals	—	—	—	(205)	(205)
At 31 July 2024	40,163	—	1,142	5,055	46,360
Net book value at 31 July 2024	**58,473**	**16,335**	**—**	**559**	**75,367**
Net book value at 31 July 2023	60,676	5,340	—	929	66,945

Assets under construction represents the costs of the Plumstead redevelopment works of £8.9m scheduled to complete in 2025. Also included in assets under construction is £2.7m of Post 16 Capacity funding, £2.4m of FECTF works, £1.24m of T Level refurbishment Wave 5 works and £694k of T Level Wave 4 works.

13 Non-Current Investments

	2024 £'000	2023 £'000
Long term Capital Debtors	**1,444**	1,444
Total	**1,444**	1.444

14 Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	**899**	1,876
Prepayments and accrued income	**1,464**	1,041
Capital Debtors	—	7,061
Total	**2,363**	**9,978**

Notes to the Financial Statements (continued)

15 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank loans and overdrafts	**216**	216
Trade payables	**3,147**	1,338
Other taxation and social security	**1,007**	923
Accruals and deferred income	**3,023**	4,015
Holiday Pay accrual	**406**	666
Deferred income - government capital grants	**1,728**	1,728
Deferred income - government revenue grants	**129**	195
Amounts owing to the GLA	**266**	266
Amounts owing to the ESFA	**2,753**	2.965
Amounts owing to the ESFA (EFS loan)	**—**	657
Total	**12,675**	**12,969**

16 Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Bank loans	**3,819**	3,981
Amounts owing to DBEIS (EFS loan)	**1,973**	1,316
Deferred income - Government capital grants	**30,262**	27,310
Total	**36,054**	**32,607**

The amounts owed to the Department for Business, Energy and Industrial Strategy (DBEIS) represent a secured term loan for Exceptional Financial Support (EFS) made to Greenwich Community College prior to merger with Bromley College of Further & Higher Education. The loan is currently secured on 95 Plumstead, Road, Woolwich, London, SE18 7DQ.

17 Maturity of Debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2024 £'000	2023 £'000
In one year or less	**216**	216
Between one and two years	**432**	432
Between two and five years	**648**	648
Five years or more	**2,739**	2,901
Total	**4,035**	**4,197**

The Barclays loan facility is repayable by instalments falling due between 1 August 2018 and 13 October 2027. A total of £162k was paid in the year leaving an outstanding balance of £4.03m secured on a portion of the freehold land and buildings of the College.

Notes to the Financial Statements (continued)

18 Provisions

	Enhanced pensions £'000	Total £'000
At 1 August 2023	916	916
Expenditure in the period	(112)	(112)
Transferred from income and expenditure account	84	84
At 31 July 2024	**888**	**888**

The enhanced pension provision relates to the cost of staff who have already left the College's employment and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2024	2023
Price inflation	2.8%	2.85%
Discount Rate	4.8%	5.15%

Defined benefit obligations relate to liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 24.

19 Cash and cash equivalents

	At 1 August 2023 £'000	Cash flows £'000	Other changes £'000	At 31 July 2024 £'000
Cash and cash equivalents	21,333	4,763	—	26,096
Total	**21,333**	**4,763**	**—**	**26,096**

20 Capital Commitments

There is £33.47m worth of commitments contracted for at 31 July 2024 (2023: £545k).

Notes to the Financial Statements (continued)

21 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		
Equipment		
Not later than one year	**183**	151
Later than one year and not later than five years	**339**	586
	522	**737**

22 Contingent liabilities

There are no contingent liabilities.

23 Events after the reporting period

There are no events after the reporting period to report.

24 Defined benefit obligations

The College's employees belong to two principal post-employment pension benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pension Fund Authority (LPFA). Both are multi-employer defined-benefit plans.

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

Total Pension cost for the year		**2024 £000**		**2023 £000**
Pension Costs				
Teachers' Pension Scheme: contributions paid		2,739		2,249
Local Government Pension Scheme				
Contributions paid	639		1,353	
FRS 102 (28) Charge	1,064		1,601	
Charge to the Statement of Comprehensive income		1,703		2,954
Enhanced Pension charge to the Statement of Comprehensive Income		28		181
Total Pension Cost for Year		**4,470**		**5,384**

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

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

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

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

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

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

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

The pension costs paid to TPS in the year amounted to £3,693,143 (2022/23: £3,093,459) of which employer's contributions totalled ££2,793,432 (2022/23: £2,248,669) and employees' contributions totalled £953,711 (2022/23: £844,790).

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

FRS 102 (28)
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.

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31 July 2024 was £1,297,647 (2022/23: £1,815,619), of which employer's contributions totalled £650,945 (2022/23: £1,224,506) and employees' contributions totalled £646,701 (2022/23: £591,113). The agreed contribution rates for future years are 6.8% for employers and range from 5.5% to 12.5% for employees, depending upon salary.

Principal Actuarial Assumptions

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

Principal Actuarial Assumptions	**At 31 July 2024**	**At 31 July 2023**
Rate of increase in salaries	3.65%	3.65%
Future pension increases	2.85%	2.85%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	2.85%	2.85%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2024	**At 31 July 2023**
Retiring today		
Males	20.2	20.4
Females	23.8	23.6
Retiring in 20 years		
Males	21.2	21.1
Females	24.8	24.7

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	100,610	95,703
Present value of plan liabilities	(76,425)	(72,251)
Surplus restriction	(24,250)	(23,452)
Net pension liability	(65)	—

24 Defined benefit obligations (continued)

Principal Actuarial Assumptions (continued)

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	1,598	2,908
Total	**1,598**	**2,908**

	2024 £'000	2023 £'000
Amounts included in finance costs		
Net interest charge	(1,228)	(26)
Total	**(1,228)**	**(26)**

	2024 £'000	2023 £'000
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	1,321	(393)
Experience losses arising on defined benefit obligations	365	(4,999)
Changes in demographic assumptions -	163	4,966
Changes in assumptions underlying the present value Liabilities	(1,187)	23,676
Other actuarial gains on assets	—	1,662
Cap actuarial gain on assets	(798)	(23,337)
Amount recognised in other comprehensive Income	**(136)**	**1,575**

Movement in net defined benefit liability during the year

	2024 £'000	2023 £'000
Deficit in scheme at 1 August	—	—
Deficit inherited upon merger (NVL)	(95)	—
Movement in year:		
Current service cost	(1,750)	(2,908)
Employer contributions	725	1,353
Admin Expenses	(29)	(46)
Net interest on defined liability	1,220	26
Actuarial gain	(136)	1,575
Net defined benefit liability at 31 July	**(65)**	—

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Principal Actual Assumptions (continued)

Movement in net defined benefit liability during the year (continued)

Due to changes in assumptions in the current economic climate, and in particular the discount rate which is derived from high quality corporate bonds, the liabilities in the pension scheme have reduced considerably.

Asset and Liability Reconciliation

	2024 £'000	2023 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	72,251	91,945
Defined benefit obligations on merger (NVL)	433	—
Current service cost	1,750	2,892
Interest cost	3,685	3,092
Contributions by Scheme participants	657	612
Experience gains and losses on defined benefit obligations	(365)	4,999
Changes in financial obligations	1,187	(23,676)
Changes in demographic assumptions	(163)	(4,966)
Estimated benefits paid	(3,010)	(2,663)
Past Service cost	—	16
Defined benefit obligations at end of period	**76,425**	**72,251**

Reconciliation of Assets

	2024 £'000	2023 £'000
Fair value of plan assets at start of period	95,703	92,060
Fair value of plan assets at start of period (NVL)	338	—
Interest on plan assets	4,905	3,118
Return on plan assets	1,321	(393)
Other actuarial gains	—	1,662
Employer contributions	725	1,353
Contributions by Scheme participants	657	612
Estimated benefits paid	(3,010)	(2,663)
Admin Expenses	(29)	(46)
Assets at end of period	**100,610**	**95,703**

Notes to the Financial Statements (continued)

25 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.

Transactions with funding bodies and the OfS are detailed in note 2.

<u>London South East Academies Trust</u>
Although distinct organisations, the College does act as the sponsor to London South East Academies Trust. Although the sponsorship means various Members of the Corporation and College senior management team may also be members, Trustees, or Local Provision Board Members of the Academy Trust. In accordance with the Academies' Financial Handbook, the level of involvement and control over the Academy Trust is restricted, and therefore, it would not be appropriate to consolidate their financial results within the financial statements of the College.

The College provides some services to London South East Academies Trust as part of its shared Group Central Services function. This central function includes some services across ICT support, Estates, Governance, HR, and Finance. The related charges levied to the Trust in respect of the support provided is £65,583 (2023: £Nil).

At 31 July 2024, the balance owed to the College by London South East Academies Trust was £49,660 (2022/23: £6,351). For 2023/24, this related to Trust expenditure which was invoiced to the college.

In addition, the College has worked in partnership with London South East Academies Trust to deliver a 14-16 alternative provision programme for pupils in Bromley borough at risk of exclusion. The programme was delivered at the Bromley College campus by teachers employed by the College. The Trust was charged £208,000 for the year (2022/23: £208,800) following approval from ESFA.

For a number of years the College has purchased a number of learner related systems including eTrackr, eNotify, eConsole and eSpirALS together with the related ongoing annual support. A member of the Corporation, Mark Trinick is a Director and majority shareholder of VLE Support Limited and the College paid VLE Support £51,060 in 2023/24 (2022/23: £52,908). VLE acquired Midas in 2016. The College paid Midas £0 in 2023/24 (2022/23: £12,940). All transactions with VLE support and Midas are conducted at arm's length and continue to be conducted on normal commercial terms.

The Vice Chair of the Trust board, Denise James-Mason was contracted to carry out some consultancy work with regards to Nido Volans Lambeth for £1,350 in 2023/24 (2022/23: 9,450).

The Group Principal & CEO is also a Board member of ETF and the College paid £2,775 in 2023/24 (2022/23: £700).

26 Amounts disbursed as agent

Learner Support Funds

	2024 £'000	2023 £'000
Funding body grants - ESFA	1,391	1,473
Other Funding bodies grants	—	—
	1,391	1,473
Disbursed to students	(1,198)	(1,143)
Administration costs	(127)	(135)
Balance unspent as at 31 July, included in creditors	67	194

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.