



Newbury College

**Newbury College**  
**Annual Report and Financial Statements**  
**Year ended 31 July 2024**



# Newbury College

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# Newbury College

## Reference and Administrative Details

### Corporation Board of Governors

To July 2024

Sally Osmond (Chair)

Glyn Howells (Vice Chair) (to 11/12/23)

Gavin Brooks (Vice Chair)

Iain Wolloff (Principal & Chief Executive)

Javaid Iqbal

Peter Lambert

Sam Dibas

Shelly Van Meter (to 12/07/24)

Sue Richardson

Tom Rossiter (to 11/12/23)

Christopher Wilson

Stuart Compton

Tim Major

Julian Cooper

Lesley Black (from 11/12/23)

Deborah Ferguson (from 11/12/23)

Trevor Gabriele (from 25/03/24)

Neil McDougall (from 25/03/24)

Russell Shackleton (from 11/12/23)

Khushi Ashwin (from 10/10/23)

Malcolm Baggott (from 08/07/24)

Roshani Jha (from 10/10/23 to 22/07/24)

Andrea Wood (from 11/12/23 to 16/03/24)

Clerk: Heather Large

### Senior Leadership Team

Iain Wolloff	Principal & Chief Executive
Lee Hunt	Deputy Principal & Vice Principal – FE & Curriculum
Cathy Wright	Vice Principal – Central Services
Jo Houghton	Vice Principal – HE & Skills
Don Everitt	Director of Finance (from 02/02/23 to 19/09/23)
Paula Powditch	Director of Finance (from 20/09/23 to 30/04/24)
Jamie Morton	Director of Finance (from 01/05/24)
Nathan Hall	Director of Estates & Facilities (from 27/11/23)
Jatinder Matharu	Director of Safeguarding & Support (from 29/01/24)

### Principal and Registered Office

Monks Lane, Newbury, Berkshire, RG14 7TD

### Professional Advisors

External Auditors	Alliotts LLP, 3 London Square, Cross Lanes, Guildford, Surrey, GU1 1UJ
Internal Auditors	MHA, 2 London Wall Place, London, EC2Y 5AU
Solicitors	Bevan Brittan, Kings Orchard, 1 Queen Street, Bristol BS2 0HQ
Bankers	Lloyds, 3-5 Bridge Street, Newbury, Berkshire, RG14 5BQ

# Newbury College

## Strategic report

### OBJECTIVES AND STRATEGY

The Corporation Board of Governors present their annual report together with the financial statements and auditor's report for Newbury College for the year ended 31 July 2024.

#### Legal status

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

#### Purpose, Vision, & Values

##### Purpose - Why we are here

We believe in: Creating opportunities to transform lives

The purpose of our College is to meet the education and skills needs of the economy, by providing learning opportunities which transform career and life chances. As a leading educational provider for our community, our core intent is to deliver '**careers not courses**'. This means that we will support learners to identify, plan and achieve their career goals, through the acquisition of the skills they need to succeed. Listening to the views of our learners, staff and stakeholders is at the heart of ensuring the development and quality of our provision.

##### Vision

Our strategic Goals

1. Outcomes - Achieve positive outcomes for learners
2. Wellbeing - Ensure learner wellbeing in an inclusive, safe, and respectful environment; to deliver a holistic learning experience
3. Skills - Meet the skills needs of our regional economy
4. Learning - Deliver excellent teaching and learning
5. Staff - Support staff to develop their skills and meet their objectives
6. Finance - Secure and sustain financial strength
7. Growth - Achieve sustainable growth in our core business areas
8. Community - Provide an educational hub for our community
9. Estates - Deliver high-quality estates and facilities provision to support learning
10. Sustainability - Reduce our adverse impact on the environment

##### Values

How we aim to behave

<i>Aspiration</i>	<ul style="list-style-type: none"><li>• being ambitious for individuals and for the quality of provision</li><li>• inspiring innovation and creativity</li></ul>
<i>Integrity</i>	<ul style="list-style-type: none"><li>• acting with uncompromising integrity in everything we do</li><li>• taking responsibility for own development</li></ul>
<i>Respect</i>	<ul style="list-style-type: none"><li>• listening to all members of the College community</li><li>• fostering a culture of respect for their rights, differences and liberties</li></ul>

## Strategy

The strategy for Newbury College and the UCN aims to provide clarity for all stakeholders (students, staff, governors, employers, parents and the community) about the purpose of the College and what we aim to achieve between 2024 to 2029.

The College has been a central hub of the local educational landscape for seventy-five years and we will continue to develop a learning campus, which meets the skills needs of the economy and of our community. We are committed to developing and maintaining partnerships with a wide range of organisations to achieve our vision and to fulfil our core purpose of ***Creating opportunities to transform lives.***

The goal of the five-year strategy is to focus on quality and sustainable growth, understanding that the quality of provision must reach or exceed national standards, whilst meeting the needs of local businesses and our community, and being delivered on a sound financial footing. The five-year period includes the ending of the campus PFI contract in July 2027, which will enable a balance to be found between income and expenditure, which is no longer adversely affected by the financial strain exerted by the PFI.

## Resources

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

- The College employs 284 people, who comprise 192 FTE and 306 positions within the College.
- The College enrolled 961 learners aged 16-18, 297 apprentices and 2,489 adults.
- The College has £5.95 million of net assets including £1.8 million pension liability and long-term debts of £5.41 million made up of debt in respect of the Private Finance Initiative (PFI) contract (funding for the main College building) and deferred capital grants. Tangible fixed assets have net book value of £12.44 million and there is a cash balance of £1.16m.
- The College has a 30-acre campus which comprises the Main College Learning Centre, Sports and Construction Centre and approximately 2 acres of undeveloped land.
- The sale of an area of land of c.8 acres to the east of the campus was completed in September 2023, for the development of a mixed-use facility to be known as Mayfield Point, as part of the strategic plan to ensure the College's financial health. The first capital payment was received in September 2023 and the remaining payments will be received in three tranches over the next two to three years.
- Over the Summer of 2020, a large area of the College was refurbished and benefited from a major investment in technology, creating the University Centre Newbury (UCN). This was funded by the Thames Valley Local enterprise partnership (LEP).
- In September 2021 the Renewables Centre was launched, with c.£500K investment from the Local Enterprise Partnership (LEP), providing technical training in low carbon energy installations.
- The College has a positive reputation locally and nationally. Maintaining a quality brand is essential for the College success in attracting students and maintaining external relationships. The inspection result in August 2023 recognised both good and outstanding provision, and some specific areas which the College is working to improve. The inspection focussed on the College's provision for further education students and for apprentices but did not include all of the young people undertaking T Level pathways. Nor did it consider the College's higher education provision within the UCN, apart from degree apprenticeships which were rated as outstanding.

## **Stakeholders**

The College has many stakeholders including:

- its current, future and past students;
- its staff and the trades unions of which they are members;
- the employers it works with;
- funding bodies, government departments and professional bodies;
- its partner schools, colleges and universities;
- the wider FE college community and surrounding schools;
- its local authority and the Local Enterprise Partnership

## **DEVELOPMENT AND PERFORMANCE**

### **Financial Results**

The College generated a surplus before other gains and losses of £1,322k (2022/23 a deficit of £1,354k). The surplus after interest and depreciation of £1,322k includes FRS102 gain of £220k. Without the FRS102 pension adjustments, the surplus is £1,102k.

The College generated a surplus before tax and pension gains and losses of £1,322k (2022/23 a deficit of £1,354k).

In September 2002 the College building was opened under a PFI contract and the resulting Unitary Charge commenced. In accordance with Financial Reporting Standards the assets are shown in the balance sheet and depreciated.

After accounting for pension liabilities (FRS102) the College has positive accumulated reserves of £5,949k, a revaluation reserve balance of £114k and I&E reserve of £5,835k.

### **Sources of income**

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24 the FE and HE funding bodies provided 85% of the College's total income.

## **FUTURE PROSPECTS**

### **Curriculum Developments**

The curriculum plan for the next three years is linked to the skills agenda and the developing local skills improvement plans which the college is a key partner in forming. The key considerations are linked to the level 3 funding changes which do not significantly impact on the college offer as adaptations have already been made and planned for. Key areas of focus for this are the delivery of protective services moving forward and what this looks like, which is unknown at present, and the T level offer continuing developments including: the evolution of the Catering and Hospitality provision linked to the development of a catering academy working in partnership with the Vineyard Group, the transfer of the Creative Media, Art and Music offer to the Creative and Design T level Route, and the move from a level 3 Health and Social Care offer to an apprenticeship.

Entry, Level 1 and 2 provision is a significant part of the full time offer and the development of the T level transition has been developed well with the college being seen as a leading provider nationally.

The further expansion of the offsite provision which supports the development of the young talent within the region linked to the development of learners ready for the world of work and the skills shortages in the physical rehabilitation, fitness and health and lifestyle sector. For example, the national shortages in physiotherapy, occupational therapy, diet and nutrition, and sports injury rehabilitation.

The adult learning growth is covered through several strategies that are long term. The support of the skills agenda and the changing landscape in adult funding is the main driver for this work. In summary the focus on distance learning linked to the health care sector and the outlined national and regional shortages allows for a larger portfolio and more opportunity to meet the adult education budget allocation. This work is being completed in partnership with national providers such as Skills Network. There is further scope to expand this delivery model with the college developing its own platform and learner find.

Language courses and photography are run centrally along with key skills development courses in digital, English and Mathematics. Significant growth has been seen with community learning and the support of refugees from Hong Kong, the Middle East and Ukraine.

The changes in the adult funding methodology linked to devolution is an ongoing unknown that the college is preparing for and considering in the longer-term planning. The appointment of a focused programme leader for the ASF (formally AEB) is key to this and was achieved in July 2023. We know devolution is coming and the proposed date is late 2025. However, currently, this is all we know and so while its impact remains unknown, we are confident that we will be able to react positively to any changes.

### **Estates strategy**

The College Estates Strategy for 2021/26 was revised and approved by the Corporation in March 2022. The strategy is based on five core principles:

1. High quality learning spaces support high quality delivery
2. Specialist learning spaces are necessary but flexibility to change future uses is important
3. The buildings are a key asset and need to be maintained to a good standard
4. The visual appeal of the campus is important, and any future developments need to be designed to maintain this ambience
5. Achieving a low carbon campus is a high priority

The key strategic drivers relevant to accommodation and property are:

1. Increasing demographic of 16-18-year-olds in West Berkshire of 15% to 2028.
2. New curriculum delivery models with the introduction of T Levels from 2022 onwards
3. Growth in HE and higher-level skills following completion of the first phase of the UCN
4. Continued ambition for growth of Apprenticeships
5. Continued drive to meet the LEP objectives
6. Ensuring that learners and staff are at the heart of everything the College does
7. A whole College Sustainability Strategy with clear goals to achieve carbon neutrality, based round the global Sustainability Development Goals (SDG)

### **Financial Strategy**

The College governors set a five-year financial strategy at their July Corporation meeting. Cashflow forecasting is monitored on a 24-month rolling basis.

### **Treasury policies and objectives**

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. All borrowing requires the authorisation of the ESFA.

### **Cash flows and liquidity**

Net cash flow from operating activities was an outflow of £2,303,000 (2022/23 £140,000 inflow).

### **Reserves**

The College's Reserves Policy focusses on ensuring that there are adequate reserves to support the College's core activities. The College currently holds no restricted reserves. As at the balance sheet date the Income and Expenditure reserve stands in credit at positive £5,835,000 (2022/23: positive reserves of £4,669,000). It is the Corporation's intention to continue to improve the reserves position over the life of the strategic plan by limiting operational losses during the duration of the PFI contract and liquidising assets where appropriate.

### **Going concern**

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence. The inability to flex PFI costs have caused significant pressure on liquidity. A programme of key mitigating actions is being taken by the Senior Leadership Team. A receipt of £1m was received in September 2023 related to the sale of land, with a further instalment being anticipated during 2025 with additional instalments anticipated in future years based on certain further conditions being satisfied. Therefore, the college continues to adopt the going concern basis in preparing the financial statements. Further details are given in the Accounting Policies. (See note 1 'Going Concern').

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk management**

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

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

The main potential risk factors affecting the College are outlined below. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College. Each of these key risks is controlled through an existing series of mitigating actions and a plan of further actions to further reduce risk.

- Safeguarding
  - An individual or group of individuals come to harm due to inadequate safeguarding/safety procedures, policies or the lack of understanding and adherence to them
- Financial
  - The College fails to generate the level of income required to achieve an underlying cash neutral position
  - The College fails to control expenditure in-line with the plan to achieve a cash neutral position



- The College experiences cashflow difficulties.
- The College is subject to a significant fraud resulting in financial loss
- Quality
  - The College fails to meet standards of quality expected by its stakeholders and regulatory bodies (e.g. ESFA, Ofsted, OFS) resulting in damage to reputation and a decline in student numbers
- Compliance
  - Failure to comply with Government, Regulatory Body, legislation and internal policies and procedures leads to a detrimental impact on the assets of the College
- Staff
  - Failure to attract and retain high calibre staff
- Leadership
  - The College fails to meet the Strategy as a result of the dilution of resources over multiple competing projects
- Resources
  - The College suffers financial loss due to ineffective management of the PFI handover period
  - The College suffers financial loss due to poor management of assets
- Reputation
  - The College staff or students are subject to cyber-attack, resulting in a data breach with financial and reputational consequences
  - The College is unable to provide full educational services due to emergency shutdown e.g. Pandemic, Fire, Flood, Terrorist attack
  - The College experiences other reputational damage
- Climate
  - The College experiences reputational damage by failing to keep pace with environmental initiatives (in line with expectations of key stakeholders)

## KEY PERFORMANCE INDICATORS

The college KPIs were revised significantly during 2023/24 and were approved by the Corporation Board in July 2024. The KPIs are now structured to address each of the College's strategic goals.

### 1. *Outcomes* – Achieve positive outcomes for learners

#### **In-Year measures**

- a. Attendance – 16-19
- b. Attendance – 19+
- c. Attendance – HE
- d. Retention – 16-19
- e. Retention – 19+
- f. Retention – Apprentices
- g. Retention – HE

#### **Annual measures**

- h. Achievement rate – 16-19
- i. Achievement rate – 19+
- j. Achievement rate – Apprentices
- k. HE High Grades
- l. English progress measure – 16-19

- m. Mathematics progress measure – 16-19
- n. Positive Destinations – 16-19
- o. Positive Destinations – HE

2. *Wellbeing* – Ensure learner wellbeing in and inclusive, safe and respectful environment

**In-Year measures**

- a. Learners feel safe

**Annual measures**

- b. Student satisfaction
- c. Survey -Rating of 'Treated fairly & equally'

3. *Skills* - Meet the skills needs of our regional economy

**Annual measures**

- a. Employer satisfaction
- b. Apprentice satisfaction
- c. Skills agenda measure

4. *Learning* – Deliver excellent teaching and learning

**In-Year measures**

- a. Effectiveness of learning (Learning walks and learning study)

**Annual measures**

- b. Student survey – Rating of quality of teaching
- c. Quality of education – overall SAR judgement
- d. Student Progress & Achievement Review (16-19 SPAR)
- e. External Quality Assurance (EQA) – percentage with DCS

5. *Staff* – Support staff to develop their skills and meet their objectives

**In-Year measures**

- a. Staff turnover (rolling YTD)
- b. Staff absence – days lost to sickness per employee (rolling YTD)
- c. Mandatory training compliance
- d. Professional review completion

**Annual measures**

- e. Survey – Staff satisfaction (recommend the college)

6. *Finance* – Secure and sustain financial strength

**In-Year measures**

- a. Income against targets
- b. Cashflow

**Annual measures**

- c. Financial Health rating
- d. Performance against budget

7. *Growth* – Achieve sustainable growth in our core business areas

**In-Year measures**

- a. Progress against growth targets

**Annual measures**

- b. Achievement of growth targets

8. *Community* – Provide an educational hub for our community

**In-Year measures**

- a. External & Internal community events
- b. Applications – for 16-19s, apprenticeships, adults and UCN

**Annual measures**

- c. Survey – Positive community perception

9. *Estates* – Deliver high-quality estates and facilities provision to support learning

**In-Year measures**

- a. PFI Contract performance – Statutory compliance
- b. College Building – Statutory compliance

**Annual measures**

- c. PFI Handover Plan progress
- d. Survey – Positive customer perception

10. *Sustainability* – Reduce our adverse impact on the environment

**In-Year measures**

- a. Current progress of sustainability action plan

**Annual measures**

- b. Climate – Progress against FE Climate Roadmap
- c. Net Zero – by 2050

**OTHER INFORMATION**

**Public Benefit**

Newbury 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 Board, who are trustees of the charity, are outlined on page 14.

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

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

- High-quality teaching and learning
- Widening participation and tackling social exclusion
- Providing excellent employment prospects for students
- Strong student support systems
- Meeting skills needs of employers, industry and commerce.
- Partnership work with Local Authorities & Local Enterprise Partnerships (LEPs)

The delivery of public benefit is covered throughout the Report.

## Equality

*“We endeavour to meet the needs of our students, employees and all stakeholders, respecting their protected characteristics within the context of education, learning, training and employment”.*

Our aim is to be an inclusive College where individual differences are respected and where all staff and students have a fair opportunity to fulfil their potential. Our intention is to be recognised as an outstanding College and the critical factor in this is the success of all students and staff.

Our commitment to student success:

- We strive to support every student in achieving their full potential. To accomplish this, we will:
- Utilise contextual data to enhance our support for individual students and specific groups.
- Monitor achievement data by ethnicity, gender, and disability to address any disparities.
- Factor in the achievement of all students when planning future learning and setting ambitious targets.
- Use materials that reflect the diversity of the College, the local community, and the global population, avoiding stereotypes.
- Educate on diversity, the impact of stereotyping, and the effects of prejudice and discrimination through tutorials and organised College events.
- Promote attitudes and values that challenge prejudice, including racism and other forms of discrimination through our work around the College Values and British values.
- Create opportunities for students to appreciate their own cultures and celebrate the diversity of others.
- Highlight the contributions of different cultures to world history and promote positive representations of diverse communities.
- Foster awareness and appreciation for equality and diversity through displays and updates, the College VLE (TEAMS), visitors, trips, and events such as Mental Health Awareness Week and Black History Month.
- Engage stakeholders to support and advance the College’s commitment to EDI.
- Ensure that teaching practices and approaches are inclusive, age-appropriate, and reflective of our entire College community.

### *Leadership & Management*

The College’s strong commitment to equality and diversity starts with the Senior Leadership Team, a member of which chairs the Equality, Diversity and Inclusion Committee (EDIC).

The EDIC monitors the progress of the Equality and Diversity action plan and equality duty priorities.

- The link governor for equality and diversity attends the EDIC and meets with key staff once a year to ensure the College is meeting its statutory duties. A report is then presented to the Board of Governors.
- The Senior Leadership team leads the setting and monitoring of college targets in relation to equality, diversity and inclusion.
- The Vice Principal of Central Services ensures that governors are trained in equality and diversity matters and are fully up to date with all relevant legislation.
- All policyholders are required to conduct an equality impact assessment (EIA) on all policies to ensure that no group is disproportionately affected by college policy.

## *Aims*

The College is committed to ensuring equality of education and opportunity for every student and value all members of the College community, respecting their protected characteristics. We aim to develop a culture of inclusion and diversity in which all those connected to the College feel proud of their identity and can participate fully in college life.

The College has due regard for the Equality Duty and its aims, through:

1. Ensuring protection from discrimination, harassment, and victimisation on the grounds of specific characteristics (referred to as protected characteristics). This means that the College does not discriminate against any members of the College community or treat them less favourably because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.
2. Advance equality of opportunity between people who share a protected characteristic and people who do not share it. The achievement of students will be monitored by certain protected characteristics, and we will use this data to support students, raise standards and ensure inclusive teaching.
3. Fostering good relations between people who share a protected characteristic and people who do not share it. We will tackle discrimination by the positive promotion of equality, challenging bullying and stereotypes and creating an environment that champions respect for all.

At Newbury College, we believe that diversity is a strength that should be respected and celebrated by all those who learn, work and visit here.

### **Disability & accessibility statement**

The statement describes our commitment to all our learners, especially those with learning difficulties and/or disabilities and the support available to them at the College. The College is committed to ensuring that everyone who wishes to attend College is treated fairly. The College is committed to the implementation of equality of opportunity for all learners, respecting and valuing positively differences in age, ethnicity, disability, gender, marital status, nationality and faith etc. It is our intention that everyone should have full and fair consideration for entry to the College.

We offer a wide range of courses from Pre-Entry to Level 7 and try to design the curriculum to be accessible, delivered at a time, in a place and in a style that meets each learner's agreed needs, wherever and whenever possible. All learners have access to a range of supportive entry services including assessment of individual need and provision of flexible on-programme support. We choose assessment methods that are sensitive to the needs of individual learners and provide examination venues appropriate to the needs of individual learners.

Learning Support is the cross-college service which helps assess learners' support needs and provide appropriate additional support. We conform to the requirement of the awarding bodies when providing for support needs.

### **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 in the period	4 officials
FTE employee number	182
Percentage of time	0 %
	1-50%
	51-99%
	100%
Total cost of facility time	£4,198
Total pay bill	£7,709,638
Percentage of total bill spent on facility time	0.05%

### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days. During the accounting period 1 August 2023 to 31 July 2024, the College paid 85 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

### DISCLOSURE OF INFORMATION TO AUDITORS

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

**Approved by order of the members of the Corporation on 16<sup>th</sup> December 2024 and signed on its behalf by:**

  
 Sally Osmond (Dec 16, 2024 20:43 GMT)

Sally Osmond  
 Chair of Corporation Board

# Newbury College

## Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1<sup>st</sup> August 2023 to 31<sup>st</sup> 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 (“the Code”)

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023. This opinion is based on an internal review of compliance with the code. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 and updated in 2019.

### The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below. There were 20 Board Members on the Corporation Board during the 2023/24 year, with five resignations. Currently, there is one vacancy.

Member	Status	Date of first joining the Board	Date Reappointed	Current Term of Office	Date Left	Members of Audit Committee	Attendance Percentage (Corporation)
Tom Rossiter	External	05/03/12	24/02/20		11/12/23	Audit	100
Iain Wolloff	Principal	01/02/18					100
Sally Osmond	External	26/03/18	25/03/22	4 Years			100
Glyn Howells	External	01/10/18	30/09/22		11/12/23		100
Shelly Van Meter	Staff (Teaching)	13/07/20			12/07/24		80
Sue Richardson	Staff (Support)	13/07/20	08/07/24	4 Years			86
Javaid Iqbal	External	12/10/20	22/07/24	4 Years		Audit	86
Peter Lambert	External	29/03/21		4 Years			86
Sam Dibas	External	29/03/21		4 Years			71
Stuart Compton	External	11/07/22		4 Years		Audit	100
Tim Major	External	05/09/22		4 Years		Audit	71
Julian Cooper	External	17/10/22		4 Years			57
Gavin Brooks	External	12/12/22		4 Years			86
Christopher Wilson	External	17/07/23		4 Years		Audit	100
Roshani Jha	Student (16-18)	10/10/23			22/07/24		80
Khushi Ashwin	Student (Adult & HE)	10/10/23		2 Years			100
Lesley Black	External	11/12/23		4 Years			100
Deborah Ferguson	External	11/12/23		4 Years			83
Russell Shackleton	External	11/12/23		4 Years		Audit	100
Andrea Wood	External	11/12/23			16/03/24		100
Trevor Gabriele	External	25/03/24		4 Years			80
Neil McDougall	External	25/03/24		4 Years			100
Malcolm Baggott	Staff (Teaching)	08/07/24		4 Years			50
Vacancy	Student (16-18)						

Clerk: Heather Large

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets each term. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website [www.newbury-college.ac.uk] or from the Clerk to the Corporation at Newbury College, Monks Lane, Newbury, Berkshire, RG14 7TD.

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

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

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

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

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

#### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

#### **Corporation Performance**

The corporation commissioned an independent external review in 2023/24. The review concluded that: 'the Board of Newbury College has significant strengths, is becoming increasingly proficient and is having an impact on college strategy, effectiveness, and outcomes'.

Governors undertake various activities relating to their development. These include an induction and support program for governors new to the college as well as linking new governors to more experienced members to act as mentors. New governors are taken through an induction program which is managed by the Governance Professional. At Full Board Meetings training sessions are often included to ensure members are kept up to date with changes in legislation or educational focus.

All members are enrolled onto the College Skillgate system which allocates required training to them and provides a reporting mechanism to ensure compliance, additional courses can also be selected and delivered through the Skillgate platform. The Chair, Governance Professional and Principal have regular engagement with the National Leaders of Governance (NLG) and National Leaders of Further Education (NLFE) and undertake training through those organisations, other Governors are also made aware of specific training programs which might be applicable to their specific areas of focus. Members engage in training sessions offered by the Association of Colleges (AOC).

The Chair is a regular participant in National and Regional governance networks enabled through the AOC.



## **Audit Committee**

The Audit Committee comprises five members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

The audit committee met four times in the year to 31 July 2024. The members of the committee and their attendance records are shown below:

<b>Committee Member</b>	<b>Meetings Attended</b>
Mr S Compton	4
Mr J Iqbal	4
Mr T Major	4
Mr C Wilson	4
Mr R Shackleton	2

## **Internal control**

### *Scope of responsibility*

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

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

### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place

in Newbury College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

#### *Capacity to handle risk*

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

#### *The risk and control framework*

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

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

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

#### *Risks faced by the Corporation*

Risks to the college identified by the internal audit service are entered into a risk register where potential impacts and probability are assessed using a numerical formula. Actions taken to mitigate the risk are then logged and the risk score is re-assessed. An action plan is put in place to reduce risk to an aspirational score. The risk register is regularly reviewed by the Audit Committee.

#### *Control weaknesses identified*

No significant internal control weaknesses or failures were identified.

#### *Responsibilities under accountability agreements*

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

### *Statement from the audit committee*

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

The specific areas of work undertaken by the audit committee in 2023/4 and up to the date of the approval of the financial statements are:

- Learner Numbers and Funding Systems (adequate Assurance)
- Cyber Security – IT and Information Governance Health Check (Substantial Assurance)
- Key Financial Controls – Main Accounting System (Substantial Assurance)

### *Managing Public Money Requirements*

Policies, procedures and approval processes have been updated to ensure compliance with the new MPM requirements following reclassification of colleges of further education into the public sector that was announced in November 2022. In particular, the college has established systems and processes to identify and handle any transactions for which DfE approval is now required.

### *Review of effectiveness*

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

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

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

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

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

**Approved by order of the members of the Corporation on 16<sup>th</sup> December 2024 and signed on its behalf by:**

Signed:



Sally Osmond (Dec 16, 2024 20:43 GMT)

Sally Osmond

Chair of Corporation Board

Signed:



Iain Wolloff

Accounting Officer

# Newbury College

## Statement of Regularity, Propriety and Compliance

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

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

I confirm that no instances of material irregularity, impropriety, funding noncompliance, 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.

Signed:

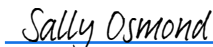


Iain Wolloff  
Accounting Officer  
16th December 2024

## 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.

Signed:



Sally Osmond (Dec 16, 2024 20:43 GMT)

Sally Osmond  
Chair of Corporation Board  
16th December 2024

# Newbury College

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

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with 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 the college's website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the

benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

**Approved by order of the members of the Corporation on 16<sup>th</sup> December 2024 and signed on its behalf by:**

Signed:

  
Sally Osmond (Dec 16, 2024 20:43 GMT)

Sally Osmond

Chair of Corporation Board

# Newbury College

## Independent auditor's report to the Corporation of Newbury College

### Opinion

We have audited the financial statements of Newbury College (the 'College') for the year ended 31 July 2024 which comprise the college statement of comprehensive income, the college balance sheet, the college statement of changes in reserves, the college statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### Basis for opinion

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

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

In auditing the financial statements, we have concluded that the governor's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2023 to 2024 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

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

- the College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

### **Responsibilities of the Corporation of Newbury College**

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 20 to 21, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

### **Audit response to risks identified**

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

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

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

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


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

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

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

### **Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 9 November 2022. Our audit work has been undertaken so that we might state to the Corporation/Governing Body, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

  
Alliotts LLP (Dec 17, 2024 06:39 GMT)

**Alliotts LLP**  
Chartered Accountants  
3 London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UJ

# Newbury College

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

In accordance with the terms of our engagement letter dated 9 November 2022 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Newbury College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

### **Respective responsibilities of Newbury College and the reporting accountant**

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

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

### **Approach**

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

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

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

Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the College;

- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer’s statement on regularity, propriety and compliance with the framework authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we perform additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.


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

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament, that the financial transactions do not conform to the authorities which govern them nor have been improper.

### **Use of our report**

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

  
Alliotts LLP (Dec 17, 2024 06:39 GMT)

**Alliotts LLP**  
Chartered Accountants  
3 London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UJ  
16th December 2024

# Newbury College

## Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July	
		2024	2023
		£'000	£'000
<b>INCOME</b>			
Funding body grants	2	11,035	9,666
Tuition fees and education contracts	3	1,145	779
Other income	4	797	651
Endowment and investment income	5	-	5
<b>Total income</b>		<b>12,977</b>	<b>11,101</b>
<b>EXPENDITURE</b>			
Staff costs	6	8,145	7,194
Restructuring costs	6	6	-
Other operating expenses	7	5,525	4,455
Depreciation	11	699	666
Interest and other finance costs	8	121	228
<b>Total expenditure</b>		<b>14,496</b>	<b>12,543</b>
<b>Deficit before other gains and losses</b>		<b>(1,519)</b>	<b>(1,442)</b>
Profit on disposal of assets		2,841	88
Write off assets under construction		-	-
<b>Surplus/(Deficit) before tax</b>		<b>1,322</b>	<b>(1,354)</b>
Taxation	9	-	-
<b>Surplus/(Deficit) for the year</b>		<b>1,322</b>	<b>(1,354)</b>
Actuarial (loss)/gain in respect of pensions schemes	20	(213)	3,368
<b>Total Comprehensive Income for the year</b>		<b>1,109</b>	<b>2,014</b>
<b>Represented by:</b>			
<b>Unrestricted comprehensive income</b>		<b>1,109</b>	<b>2,014</b>
<b>Restricted comprehensive income</b>		<b>-</b>	<b>-</b>
		<b>1,109</b>	<b>2,014</b>

The statement of comprehensive income is in respect of continuing activities.

# Newbury College

## Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
<b>Balance at 1 August 2022</b>	2,598	228	2,826
Deficit from the income and expenditure account	(1,354)	-	(1,354)
Other comprehensive income	3,368	-	3,368
Transfers between revaluation and income and expenditure reserves	57	(57)	-
Total comprehensive income for the year	2,071	(57)	2,014
<b>Balance at 31 July 2023</b>	<b>4,669</b>	<b>171</b>	<b>4,840</b>
Income from the income and expenditure account	1,322	-	1,322
Other comprehensive income	(213)	-	(213)
Transfers between revaluation and income and expenditure reserves	57	(57)	-
Total comprehensive income for the year	1,166	(57)	1,109
<b>Balance at 31 July 2024</b>	<b>5,835</b>	<b>114</b>	<b>5,949</b>

# Newbury College

Balance sheet as at 31 July 2024


	Notes	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Tangible fixed assets	11	12,438	12,726
		<b>12,438</b>	<b>12,726</b>
<b>Current assets</b>			
Stocks		3	3
Trade and other receivables	12	2,507	813
Cash and cash equivalents	17	1,155	1,489
		<b>3,665</b>	<b>2,350</b>
<b>Less: Creditors – amounts falling due within one year</b>	13	(2,904)	(2,276)
<b>Net current assets</b>		<b>761</b>	<b>29</b>
<b>Total assets less current liabilities</b>		<b>13,199</b>	<b>12,755</b>
Less: Creditors – amounts falling due after more than one year	14	(5,409)	(6,067)
<b>Provisions</b>			
Defined benefit obligations	16	(1,841)	(1,848)
<b>Total net assets</b>		<b>5,949</b>	<b>4,840</b>
<b>Unrestricted reserves</b>			
Income and expenditure account		5,835	4,669
Revaluation reserve		114	171
<b>Total unrestricted reserves</b>		<b>5,949</b>	<b>4,840</b>

The financial statements were approved and authorised for issue by the Corporation on 16<sup>th</sup> December 2024 and signed on its behalf by:

  
Sally Osmond (Dec 16, 2024 20:43 GMT)

Sally Osmond

Chair of Corporation Board

  
\_\_\_\_\_

Iain Wolloff

Accounting Officer

# Newbury College

## Statement of Cash Flows

	Notes	2024 £'000	2023 £'000
<b>Cash inflow from operating activities</b>			
Surplus/(Deficit) for the year		1,322	(1,354)
<b>Adjustment for non-cash items</b>			
Depreciation		699	666
(Increase)/decrease in debtors		(1,694)	127
Increase/(decrease) in creditors due within one year		665	(154)
Increase/(decrease) in creditors due after one year		(272)	541
Pensions costs less contributions payable		(303)	179
<b>Adjustment for investing or financing activities</b>			
Investment income		-	(5)
Interest payable		121	228
Profit on sale of fixed assets		(2,841)	(88)
<b>Net cash flow from operating activities</b>		<b>(2,303)</b>	<b>140</b>
<b>Cash flows from investing activities</b>			
Investment income		-	5
Payments made to acquire fixed assets		(449)	(522)
Disposal of Fixed Assets		38	-
Proceeds on sale of fixed assets		2,841	88
		<u>2,430</u>	<u>(429)</u>
<b>Cash flows from financing activities</b>			
Interest element of finance lease rental payments		(38)	(64)
Capital element of finance lease rental payments		(423)	(395)
		<u>(461)</u>	<u>(459)</u>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(334)</b>	<b>(748)</b>
Cash and cash equivalents at beginning of the year	17	1,489	2,237
Cash and cash equivalents at end of year	17	<b>1,155</b>	<b>1,489</b>



# Newbury College

## Notes to the Accounts

### 1. 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 Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

#### Basis of accounting

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

#### Going concern

The financial position of the College, its cashflow liquidity and borrowing are presented in these Financial Statements and accompanying notes.

The College has considered its underlying financial circumstances and has identified that the financial challenges related to the very high costs of the PFI contract in the final years of its operation. When the PFI contract expires in 2027, the College will no longer experience financial deficits and, therefore, a range of actions have been undertaken to ameliorate the position for the next five years. These include:

1. Achieving student number growth for key aspects of provision including study programme students and apprentices, resulting in income growth of 25% in the last two years.
2. Continuing to review the cost base to ensure efficient use of resources.
3. Reviewing its curriculum offering to ensure that the most efficient use of its resources, with the option to restructure that offering where the cost/benefit analysis dictates this.
4. Actively managing cost of living increases and the inclusion of projected potential salary increases into the cashflow forecasts.

The two-year cashflow position has been scrutinised on a monthly basis to identify any potential for the cash position to fall below the ESFA threshold of 25 cash days in hand at any future point. This information has been discussed regularly with the ESFA and a number of strategies have been put into place to ensure continuing liquidity. These Include:

1. Capital receipts - contracts have been exchanged for a disposal of approximately eight acres of surplus land for a significant capital receipt. The first tranche of this payment was received in September 2023. Further capital receipts are due to be received during the 2024/25 year, with additional receipts due in later years.

# Newbury College

## Notes to the Accounts continued

### 1. Statement of Accounting Policies continued

2. Commercial options – if capital receipts or advances are not available when required, the potential for short-term bridging funds has been explored, subject to approval from the EFSA.
3. ESFA support – should none of the identified strategies above be achieved when additional funds are required, the potential for short term financial support has been agreed in principle.

Taken the above factors into account, the Corporation considers that the financial statements should be prepared on a going concern basis.

### Recognition of income

#### *Revenue grant funding*

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

The recurrent grant from the Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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

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

#### *Capital grant funding*

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

# Newbury College

## Notes to the Accounts continued

### 1. Statement of Accounting Policies continued

#### *Fee income*

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

#### *Investment income*

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

#### **Agency arrangements**

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

#### **Accounting for post-employment benefits**

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

#### *Teachers' Pension Scheme (TPS)*

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

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

#### *West Berkshire 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 closing fair value 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.

# Newbury College

## Notes to the Accounts continued

### 1. Statement of Accounting Policies continued

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

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

#### Short term Employment benefits

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

#### Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by 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 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 less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

##### *Land and buildings*

The main College building including the furniture and equipment originally included was financed by a PFI arrangement. For the assets held within the PFI arrangement:

Freehold buildings are depreciated on a straight-line basis over their expected useful life of 50 years. Freehold land is not depreciated as it is considered to have an infinite useful life.

Furniture & Equipment is depreciated over 8 years or 10 years dependent on the expected useful life.

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.

##### *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.

# Newbury College

## Notes to the Accounts continued

### 1. Statement of Accounting Policies continued

#### *Subsequent expenditure on existing fixed assets*

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

#### *Equipment*

Equipment costing less than £1000 is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- computer equipment 5 years
- motor vehicles 5 years
- furniture, fixtures and fittings 10 years
- general equipment 8 years

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

#### **Leased assets**

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

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance leases. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

#### **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.

# Newbury College

## Notes to the Accounts continued

### 1. Statement of Accounting Policies continued

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

#### 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.

#### Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

#### Provisions and contingent liabilities

Provisions are recognised when

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

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

# Newbury College

## Notes to the Accounts continued

### 1. Statement of Accounting Policies continued

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.

### *Other key sources of estimation uncertainty*

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 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.

# Newbury College

## Notes to the Accounts (continued)

	Year ended 31 July	
	2024	2023
	£'000	£'000
<b>2 Funding council grants</b>		
<b>Recurrent grants</b>		
Education and Skills Funding Agency - adult	1,241	1,55
Education and Skills Funding Agency – 16 -18	7,906	7,159
Education and Skills Funding Agency - apprenticeships	1,284	919
Higher education funding council	190	120
<b>Specific Grants</b>		
Releases of government capital grants	414	313
<b>Total</b>	<b>11,035</b>	<b>9,666</b>
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>3 Tuition fees and education contracts</b>		
Adult education fees	835	576
Apprenticeship fees and contracts	17	14
Fees for FE loan supported courses	53	96
Fees for HE loan supported courses	174	78
Total tuition fees	1,079	764
Education contracts	66	15
<b>Total</b>	<b>1,145</b>	<b>779</b>
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>3b Total grant and fee Income</b>		
Grant income from the OfS	190	120
Grant income from other bodies	10,845	9,546
<b>Total grants</b>	<b>11,035</b>	<b>9,666</b>
Fee income for taught awards (exclusive of VAT)	888	356
Fee income for research awards (exclusive of VAT)		
Fee income from non-qualifying courses (exclusive of VAT)	257	423
<b>Total tuition fees and education contracts</b>	<b>1,145</b>	<b>779</b>
<b>Total</b>	<b>12,180</b>	<b>10,445</b>



# Newbury College

## Notes to the Accounts (continued)

	<b>2024</b>	<b>2023</b>
<b>4 Other income</b>	<b>£'000</b>	<b>£'000</b>
Other income generating activities	410	368
Other grant income	301	146
Miscellaneous income	86	137
<b>Total</b>	<b>797</b>	<b>651</b>

	<b>2024</b>	<b>2023</b>
<b>5 Investment income</b>	<b>£'000</b>	<b>£'000</b>
Bank interest receivable	0	5
	<b>0</b>	<b>5</b>

# Newbury College

## Notes to the Accounts (continued)

### 6 Staff costs

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

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	205	210
Non-teaching staff	79	73
	<u><b>284</b></u>	<u><b>283</b></u>
<b>Staff costs for the above persons</b>		
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£'000</b>
Wages and salaries	6,197	5,098
Social security costs	537	428
Other pension costs	1,187	1,353
<b>Payroll sub total</b>	<u><b>7,921</b></u>	<u><b>6,879</b></u>
Contracted out staffing services	224	315
	<u><b>8,145</b></u>	<u><b>7,194</b></u>
Fundamental restructuring costs - contractual	6	-
non-contractual	-	-
	<u><b>8,151</b></u>	<u><b>7,194</b></u>

### 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 Senior Leadership Team comprising of the Principal, Vice Principal – FE & Curriculum, Director of Finance, Vice Principal – Central Services, Vice Principal – HE & Skills, Director of Estates & Facilities and the Director of Safeguarding & Support. The senior post holders within the remit of the Remuneration Committee are the Principal, the Director of Finance and the three Vice Principals.

# Newbury College

## Notes to the Accounts (continued)

### 6 Staff Costs continued

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

	2024 No.	2023 No.
The number of key management personnel including the Accounting Officer was:	9	6

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

	Key Management Personnel		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£15,001 to £20,000	2	-	-	-
£30,001 to £35,000	-	1	-	-
£35,001 to £40,000	2	-	-	-
£45,001 to £50,000	1	-	-	-
£55,001 to £60,000	-	2	-	-
£60,001 to £65,000	-	1	-	-
£70,001 to £75,000	2	-	-	-
£75,001 to £80,000	1	1	-	-
£105,001 to £110,000	1	1	-	-
	<u>9</u>	<u>6</u>	<u>-</u>	<u>-</u>

Including part time workers grossed up to full time equivalent and staff on maternity, paternity or sickness leave at their usual rate of pay.

# Newbury College

## Notes to the Accounts (continued)

### 6 Staff costs continued

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Key management personnel compensation is made up as follows:		
Salaries - gross of salary sacrifice and waived emoluments	489	389
Benefits in kind	-	-
	<u>489</u>	<u>389</u>
Pension contributions	83	66
<b>Total emoluments</b>	<u><u>572</u></u>	<u><u>455</u></u>

The above compensation includes amounts payable to the Accounting Officer during the year of:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	108	106
Benefits in kind	-	-
	<u>108</u>	<u>106</u>
Pension contributions	<u>27</u>	<u>25</u>

### Severance Payments for all staff

The College paid 2 severance payments in the year, disclosed in the following bands

£0 to £25,000	2
£25,001 to £50,000	-
£50,001 to £100,000	-
£100,001 to £150,000	-
£150,000 +	-

Included in the staff restructuring costs are special severance payments totalling £0.

# Newbury College

## Notes to the Accounts (continued)

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

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

The remuneration packages of the Senior Post Holders are subject to annual review by the Remuneration Committee of the governing body taking into consideration the personal performance of the individual Senior Post Holder; the financial position of the College; external benchmarking information; and pay awards made to other staff members.

Senior Post Holders may not receive income from external activities unless approved by the Remuneration Committee in advance of the activity.

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

	2024	2023
Principal and CEO's basic salary as a multiple of the median of all staff	4.0	4.4
Principal and CEO's total remuneration as a multiple of the median of all staff	4.0	4.4

7 Other operating expenses	Year ended 31 July	
	2024	2023
	£'000	£'000
Teaching costs	1,646	1,403
Non-teaching costs	1,152	937
Premises costs	2,727	2,115
<b>Total</b>	<b>5,525</b>	<b>4,455</b>
<b>Other operating expenses include:</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Subcontractor costs	27	396
Auditor's remuneration:		
-Financial statements audit	30	24
-Internal audit	-	-
-Other services	2	11
Internal audit	22	19
Hire of assets under operating leases	48	32

# Newbury College

## Notes to the Accounts (continued)

	<b>2024</b>	<b>2023</b>
<b>8 Interest payable</b>	<b>£'000</b>	<b>£'000</b>
On finance leases	38	64
Net interest on defined pension liability (note 20)	83	164
	<hr/>	<hr/>
<b>Total</b>	<b>121</b>	<b>228</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>2024</b>	<b>2023</b>
<b>9 Taxation</b>	<b>£'000</b>	<b>£,000</b>
United Kingdom corporation tax	-	-
	<hr/>	<hr/>
Provision for deferred corporation tax in the accounts of the subsidiary company	-	-
	<hr/>	<hr/>
<b>Total</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

## 10 Write offs, losses, guarantees, letters of comfort, compensation

The college has not issued any guarantees, letters of comfort or indemnities during the year. No write offs were made during the year.

# Newbury College

## Notes to the Accounts (continued)

11 Tangible fixed assets	Land	Buildings Freehold	Equip- ment	Assets in the Course of Construction	Total
		£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2023	186	17,602	5,708	-	23,496
Additions	-	-	449	-	449
Transfers	-	-	-	-	-
Disposals	38	-	-	-	38
<b>At 31 July 2024</b>	<b>148</b>	<b>17,602</b>	<b>6,157</b>	<b>-</b>	<b>23,907</b>
<b>Depreciation</b>					
At 1 August 2023	-	6,817	3,953	-	10,770
Charge for the year	-	358	341	-	699
Eliminated on disposal	-	-	-	-	-
<b>At 31 July 2024</b>	<b>-</b>	<b>7,175</b>	<b>4,294</b>	<b>-</b>	<b>11,469</b>
Net book value at 31 July 2023	186	10,785	1,755	-	12,726
<b>Net book value at 31 July 2024</b>	<b>148</b>	<b>10,427</b>	<b>1,863</b>	<b>-</b>	<b>12,438</b>

Land and buildings were valued in 1996 at depreciated replacement cost by a firm of independent chartered surveyors.

The depreciation charge on PFI assets for the year was £236,000 (2023: £236,000).

	2024	2023
	£'000	£'000
<b>12 Trade and other receivables</b>		
Amounts falling due within one year:		
Trade receivables	2,159	429
Prepayments and accrued income	348	384
<b>Total</b>	<b>2,507</b>	<b>813</b>

# Newbury College

## Notes to the Accounts (continued)

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>13 Creditors: amounts falling due within one year</b>		
Obligations under finance leases	386	423
Trade payables	724	163
Other taxation and social security	121	230
Accruals and deferred income	983	810
Holiday pay accrual	226	200
Deferred income - other	57	139
Deferred income - government capital grants	367	311
Amounts owed to the ESFA	40	-
<b>Total</b>	<b><u>2,904</u></b>	<b><u>2,276</u></b>

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>14 Creditors: amounts falling due after one year</b>		
Obligations under finance leases	633	1,019
Deferred Income - other	119	95
Deferred income - government capital grants	4,496	4,686
Other Creditors	161	267
<b>Total</b>	<b><u>5,409</u></b>	<b><u>6,067</u></b>

### 15 Maturity of debt

#### Finance leases

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less	386	423
Between two and five years	633	1,019
In five years or more	-	-
<b>Total</b>	<b><u>1,019</u></b>	<b><u>1,442</u></b>

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



# Newbury College

## Notes to the Accounts (continued)

### 16 Provisions

	<b>Defined benefit Obligations</b>
	<b>£'000</b>
At 1 August 2023	1,848
Expenditure in the period	(220)
Transferred from income and expenditure account	213
<b>At 31 July 2024</b>	<b>1,841</b>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 20.

<b>17 Cash and cash equivalents</b>	<b>At 1 August 2023 £'000</b>	<b>Cash flows £'000</b>	<b>Other changes £'000</b>	<b>At 31 July 2024 £'000</b>
Cash and cash equivalents	1,489	(334)	-	1,155
<b>Total</b>	<b>1,489</b>	<b>(334)</b>	<b>-</b>	<b>1,155</b>

<b>18 Capital commitments</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Commitments contracted for at 31 July	90	387

# Newbury College

## Notes to the Accounts (continued)

### 19 Lease Obligations

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
later than five years	-	-
	<u>-</u>	<u>-</u>
<b>Other</b>		
Not later than one year	48	38
Later than one year and not later than five years	92	96
later than five years	-	-
	<u>140</u>	<u>134</u>
	<u>140</u>	<u>134</u>
Total lease payments due	<u><b>140</b></u>	<u><b>134</b></u>

### 20 Defined benefit obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total pension cost for the year</b>		
Teachers' Pension Scheme: contributions paid	636	508
Local Government Pension Scheme:		
Contributions paid	854	666
FRS 102 (28) charge	<u>(303)</u>	<u>179</u>
Charge to the Statement of Comprehensive Income	<u>551</u>	<u>845</u>
<b>Total Pension Cost for Year</b>	<u><b>1,187</b></u>	<u><b>1,353</b></u>

# Newbury College

## Notes to the Accounts (continued)

### 20 Defined benefit obligations continued

Contributions amounting to £167,760 (2023: £123,595) were payable to the schemes and are included in creditors.

#### Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department in April 2019). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compared to 23.68% during 2018/19)

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

The pension costs paid to TPS in the year amounted to £628,226 (2023: £508,142).

# Newbury College

## Notes to the Accounts (continued)

### 20 Defined benefit obligations continued

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by West Berkshire Local Authority. The total contribution made for the year ended 31 July 2023 was £786,000, of which employer's contributions totalled £587,000 and employees' contributions totalled £199,000. The contribution rates for future years is likely to be 27.9% for employers and range from 5.5% to 12.5% cent for employees, depending on salary according to a national scale.

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

#### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2024 by a qualified independent actuary.

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
Rate of increase in salaries	3.90%	3.85%
Future pensions increases	2.90%	2.85%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	2.90%	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 expectations on retirement age 65 are:

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	Years	Years
<i>Retiring today</i>		
Males	20.7	20.7
Females	23.6	23.6
<i>Retiring in 20 years</i>		
Males	22.0	22.0
Females	25.0	25.0

# Newbury College

## Notes to the Accounts (continued)

### 20 Defined benefit obligations continued

Sensitivity analysis	At 31 July	At 31 July
	2024	2023
	£'000	£'000
Discount rate +0.1%	(214)	(190)
Discount rate -0.1%	219	196
Mortality assumption – 1 year increase	419	366
Mortality assumption – 1 year decrease	(405)	(353)
Pension increase +0.1%	220	195
Pension increase -0.1%	(215)	(190)

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

	2024	2023
	£'000	£'000
Fair value of plan assets	10,539	9,325
Present value of plan liabilities	(12,309)	(11,097)
Present value of unfunded liabilities	(71)	(76)
<b>Net pensions liability (Note 16)</b>	<b><u>(1,841)</u></b>	<b><u>(1,848)</u></b>

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

	2024	2023
	£'000	£'000

#### Amounts included in staff costs

Current service cost	535	766
Past service cost	-	-
<b>Total</b>	<b><u>766</u></b>	<b><u>766</u></b>

#### Amounts included in interest payable

Net interest	83	164
	<b><u>83</u></b>	<b><u>164</u></b>

# Newbury College

## Notes to the Accounts (continued)

### 20 Defined benefit obligations continued

#### Amounts recognised in Other Comprehensive Income

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Return on pension plan assets	25	(410)
Other actuarial gains/(losses) on assets	-	(34)
Changes in financial assumptions	(328)	5,144
Changes in demographic assumptions	27	205
Other experience adjustments	63	(1,537)
Amount recognised in Other Comprehensive Income	<u><b>(213)</b></u>	<u><b>3,368</b></u>

#### Movement in net defined benefit (liability)/asset during the year

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Deficit in scheme at 1 August	(1,848)	(4,873)
Movement in year:		
Current service cost	(535)	(766)
Employer contributions	838	587
Past service cost	-	-
Net interest on the defined (liability)/asset	(83)	(164)
Actuarial gain or loss	(213)	3,368
<b>Net defined benefit liability at 31 July</b>	<u><b>(1,841)</b></u>	<u><b>(1,848)</b></u>

#### Asset and Liability Reconciliation

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	11,173	13,715
Current Service cost	535	766
Interest cost	572	467
Contributions by Scheme participants	178	199
Changes in financial assumptions	328	(5,144)
Changes in demographic assumptions	(27)	(205)
Estimated benefits paid	(307)	(153)
Contributions in respect of unfunded benefits	(9)	(9)
Other experience	(63)	1,537
Past service cost	-	-
<b>Defined benefit obligations at end of period</b>	<u><b>12,380</b></u>	<u><b>11,173</b></u>

# Newbury College

## Notes to the Accounts (continued)

### 20 Defined benefit obligations continued

#### Reconciliation of Assets

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of plan assets at start of period</b>	9,325	8,842
Interest on plan assets	498	311
Return on plan assets	25	(410)
Other actuarial gains/(losses)	-	(34)
Administration expenses	(9)	(8)
Employer contributions	838	587
Contributions by Scheme participants	178	199
Estimated benefits paid	(316)	(162)
<b>Fair value of plan assets at end of period</b>	<b>10,539</b>	<b>9,325</b>

### 21 Related party transactions

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

No Governor has received any remuneration or waived payments from the college during the year (2023: None).

### 22 Amounts disbursed as agent – Learner support Funds

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 August</b>	<b>83</b>	<b>38</b>
16-18 bursary grants	80	57
Other Funding body grants	-	-
Interest earned	-	-
	163	95
Disbursed to students	(29)	(12)
Administration Costs	-	-
<b>Balance unspent at 31 July, included in creditors</b>	<b>134</b>	<b>83</b>