Reaseheath College

FINANCIAL STATEMENTS

For the year to July 2024

Internal

Reaseheath College

Contents

Key Management Personnel, Board of Governors and Professional Advisors

Board of Governors

J Cowell OBE
M Gorton
E Harrison
M Clinton
P Green
G Crowe
S Houlston
J Erskine
S Lakin
S Phillips
F Cooper
E Simmons
C Gaskell
A Potter
E Watts
P Weston
J Chillery
P Gibbon
A Austin
C Blanchard

Clerk / Company Secretary

Mrs J Schillinger

Key Management Personnel

Key management personnel are defined as the Principal and two Vice Principals and were represented by the following in 2023/24:

Mr M Clinton, Principal and CEO; Accounting Officer
Mr G Lavery, Vice Principal Finance and Resources
Mr P Spearritt, Vice Principal Curriculum and Quality

Principal and Registered Office

Reaseheath College, Reaseheath, Nantwich, CW5 6DF

Professional advisors

Professional Advisors –
Financial Statements and Regularity Auditors:
Forvis Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Internal Auditors:
RSM
Festival Way
Festival Park
Stoke-on-Trent
ST1 5BB

Bankers:
Santander UK Plc
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors:
Excello Law
One City Place
Queens Road
Chester CH1 3BQ

Strategic Report

OBJECTIVES AND STRATEGY:

The governing body present their report and the audited financial statements and auditor's report for Reaseheath 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 Reaseheath College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Mission

The College's mission as approved by its Members is:

- Industry Focused Career Ready.

Vision

- To be the leading specialist land-based college in the UK
- Be the preferred place to learn, work and progress
- Support the growth and prosperity of the specialist land-based industries, technical sectors and rural communities we serve
- Place our students and staff at the heart of everything we do
- An inclusive offer facilitating appropriate progression for everyone
- Deliver an inspirational learning experience and environment supported through our values, our guiding principles and commitments

Values

- PEOPLE - We will work together in a safe and secure environment with a positive approach to our own and others' health and wellbeing. We will respect democracy and individual liberty, recognising the valuable contribution each person can make to society
- RESPONSIBILITY – We will be responsible for our own actions and decisions whilst making a positive contribution to community cohesion and pride. We will demonstrate environmental sustainability through our behaviour
- INTEGRITY – We will demonstrate honesty, integrity and ethical standards in everything we do. We will respect the rule of law and act fairly in the best interests of all
- DIVERSITY – We will actively promote equality; recognise, respect, promote and celebrate diversity and individual difference and strive to create an inclusive environment. We will challenge behaviour or views which discriminate against others
- EXCELLENCE - We will challenge ourselves to strive for the highest standards of quality and behaviour by adopting a supportive self-critical approach in our pursuit of excellence. We will always aim to be the best that we can be

Guiding Principles are:

- Leading edge
- Relevant
- Excellence in all we do
- Financially strong
- Sustainable in the environment

Reaseheath College

Implementation of Strategic Plan

In December 2019 the College approved its strategic plan for the period 1 August 2019 to 31 July 2024. This plan included improvement targets and a summary of the College property strategy and financial forecasts. The Corporation regularly monitors the performance of the College against this plan. A summary of the College's annual corporate priorities are shown below.

Strategic priorities 2019/24

- Our Offer - A coherent and ambitious curriculum offer, at all levels, that meets the needs of our students and the sectors that we serve.
- Our People - To have the right people with the right skills in the right roles
- Our Environment - develop an estates and environment strategy which will support the five strategic priorities.
- Our Employers, Innovation and Scholarly Activity - An informed curriculum and apprenticeships which deliver the knowledge, skills and behaviours demanded by land-based employers
- Our Core Systems and Processes – further developments of business-critical processes that have documented protocols to ensure that we have a high level of compliance and a standard approach with an eye to continuous improvement

Supporting the college priorities, the college has developed a number of underpinning strategies which include.

- Teaching Larning and Assessment Strategy
- UCR Strategy
- UCR Teaching, Learning and Assessment Strategy
- People Strategy
- Environment and Estates Strategy
- Sustainability Strategy
- Industry Engagement Strategy
- Farm Strategy

In addition to the strategic plan the executive continued to support students to achieve their best performance utilising the resources available, in particular through the targeted application of the Tuition Support Fund.

The college's annual business planning process is used to check and challenge the college is developing its business and transforming the strategic plan into an operational delivery plan. The business planning process is based on a number of tools such as SWOT analysis and balanced scorecard.

Curriculum / Service offer & Impact	People Plan / Skillsets / Structure / Development
• Review of the curriculum plan taking into accounts the departmental Self-Assessment Reviews (SAR's), Quality Improvement Plans (QIP's), Labour Market Intelligence and the requirements of the industries we serve along with the curriculum and awarding body changes to support clear career pathways. • Support departments will review their service provision and ensure it meets the evolving customer requirements.	• Challenge the effectiveness and impact of the structure against the area's evolving offer/service and the any changes to the required skillset. • Recruitment and retention challenges supported by targeted and effective CPD. • Forward planning of the offer/service enables challenges to be recognised and mitigated early developing organisational resilience.
Environment - Facilities/ Resources	**Financial Impact**
• Review the facilities/resources/equipment required to support the future delivery/service offer. • Monitor the effectiveness of the rolling 5-year maintenance plan which is supported by capital investment to ensure delivery is student focused and industry relevant.	• Impact of current delivery model and the contribution to central. • Opportunities to increase income and make savings. • Detailed budget setting process which supports the college financial plan and College Financial Forecasting Return.

Resources:

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

- People - The College employs 603 staff, of whom 200 are teaching staff, in teaching departments.
- Students - The College enrolled 4961 students, which included 2398 16–19-year-old students, 816 Adult learners, 1198 Apprentices, 512 higher education students and 37 International students.
- Assets - Tangible resources include the main College site, shown in the balance sheet at £65,517k, together with equipment, fixtures and fittings at a value of £10,424k.
- Financial Resources - The College has £33,900k of net assets including debt of £13,916k and deferred government capital grants of £36,122k.
- Reputation – The College has an excellent reputation locally, nationally and internationally. Maintaining a quality brand is essential for the College's continuing success.

STAKEHOLDER RELATIONSHIPS:

In line with other Colleges and with Universities, Reaseheath College has many stakeholders. These include:

- The current, future, and past students
- Parents
- Staff and their representatives, the staff voice and trade unions
- Education sector funding body
- IfATE (Institute for Apprenticeships and Technical Education)
- Sector Skills Councils (Local and Regional)
- Chambers of Commerce
- National Employers e.g. JCB, Case New Holland, Eden & First Bus
- Local Authorities
- Local Enterprise Partnerships
- Sub Regional Partnerships e.g. Job Centre Plus, Local Economic Partnerships (LEPs)
- Non-Statutory Bodies e.g. EFFP (European Food & Farming Partnership) / UKTI (UK Trade & Investment)
- The local community (Local Strategic Partnerships (LSPs), Local Action Groups (LAGs)
- Other FE institutions and schools
- Office for Students (OFS)
- HE Academic Partner University of Chester (strategic alliance)
- Professional bodies
- Membership Associations (NFU), (CLA)
- Other Colleges through the Cheshire Consortium, Landex Colleges etc
- National land-based College NLBC

The College recognises the importance of these relationships and engages in regular communication with them through the College internet site, joint information systems committee (JISC) e-mail and by attending local, regional and national meetings.

PUBLIC BENEFIT

Reaseheath College is an exempt charity, for the purposes of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity are disclosed in these financial statements.

In considering its vision, mission, values and strategic objectives, Reaseheath College has had due regard to the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The value added to the community served by the College in delivering its mission can be demonstrated and assessed publicly throughout this Strategic Report. In delivering its mission, the college provides identifiable public benefits through the advancement of education to approximately 4,961 students, including 188 students with high needs. The college provides courses without charge to young people, to those who are unemployed and adults taking English and maths course. The college adjusts its courses to meet the needs of local employers and provides training to 1,198 apprentices. The college is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial Objectives

The Governing body along with management have reviewed the financial objectives to ensure they are robust and appropriate for the changing financial environment in which the College operates. These financial objectives have been refreshed during the year to reflect the changing emphasis on liquidity and are:

- Financial Health - Maintain a minimum of good in respect of the funding body's financial health.
- Bank Covenants - Meet the bank covenants (this ensures the following financial objectives are monitored):
  - Adjusted net assets
  - Debt service cover
  - Operational surplus to Interest
- EBITDA Education specific - min 8% T/O.
- Current Ratio - to be a minimum of 1.25:1.
- Cash Days - Maintain minimum 25 cash days (to include any debt available for immediate drawdown).
- College Surplus - to be between 1-3% of Turnover.

These financial objectives are integrated into the College's financial planning and monitoring process, in addition indicators have been agreed to monitor the successful implementation of the policies and to maintain the College's Financial Health status as assessed by the Funding Body. The College currently has a financial health category "Good". The College currently carrying debt facility of 35.82% of Turnover, which is in line with the Colleges financial strategy and was agreed with the Funding body at the onset of the now completed capital build programme.

Financial Review

The College generated a surplus in the year of £1,155k (2022/23 £251k). These figures include the following:

- FRS 102 - The impact of Financial Reporting Standard 102 (28.11), formerly FRS17 Accounting for Retirement Benefits. Without the effect of these adjustments, the operating position would be a surplus of £218k (2022/23 surplus £688k).

- Reserves - The College has accumulated reserves of £28,880k (2022/23 £28,478k) which included in year changes in assumptions in respect of pension schemes of £944k (2022/23 £384k). Assumptions take account of the McCloud judgement.

- Assets - Tangible fixed asset additions during the year amounted to £6,751k. This was split between assets under construction (£1,941), Land and Buildings (£73k), and equipment (£4,737k). The College has continued to develop the campus, this year has completed the development of facilities to deliver the T' Levels in Construction, Business Agriculture, Arboriculture and Animal Management along with continued work at the Reaseheath Engineering Apprentice Academy (REAA) and Institute of Technology developments on the farm. These projects focus on improving the student experience through the provision of leading-edge technical resources.

- Funding Body Reliance - The College has a reliance on education sector funding bodies with funding from the ESFA and other public bodies amounting to 67.6% of the College's total income This is an increase in comparison to the prior year 66.4%. This is due to an increase in the base funding rate and overall maintaining student numbers on the College's grant and loan funded delivery.

- Debt Facilities - The college continued to service its Medium-Term Loan (MTL) in line with its facilities letter. The size of the College's total borrowing and its approach has been modelled to ensure a reasonable margin between the total cost of servicing debt and operating cashflow. During the year this margin was achieved, and the College complied with all three bank covenants.

- Loans - The loans are on a variable interest rate so are exposed to the fluctuations in the Bank of England's base rate. In line with the new rules introduced by the Department for Education in November 2022, the College has notified ESFA of the need to refinance the loan when the current term expires.

- Cash Flow - Net cash outflow from operating activities was £2,557k in year (£5,152k inflow 2022/23).

- Cash Position - The College currently has reserves of £9,786k (2022/23 £12,343k) in cash which have been decreased due to the expenditure of capital grants for T' Level specialist equipment and the FE Transformation and ONS capital grants. All these grants have been used to support the improvement of industry standard equipment and facilities. The College intends to continue to accumulate cash reserves to provide resilience and as part of the financial strategy to facilitate key future strategic investment such as the Flexible Learning facility (LWC) and specialist equipment to support industry focused delivery.

FUTURE PROSPECTS

Future Developments

Following the completion of the College's capital master plan, the College is delivering against a new estates management plan to support the continued development of the campus whilst meeting the technical requirements of our learners especially in areas such as T' Levels within the industries that we serve. In addition, the development of the Cheshire Institute of Technology (IoT) will support a new delivery centre for Agriculture and industry standard equipment including a vector robotic feeding station. The college is also looking to dispose of the final element of the Kingsley fields land as part of the financial strategy to facilitate the development of a Flexible Learning Centre which will replace the current Lord Woolley Centre (LWC).

Financial plan

The College governors approved the financial plan in July 2024. The financial plan was derived from the business planning held within the College. The plan took into consideration the development of the strategic plan. The College's combined funding allocations for 16-18 and the Adult Skills Fund (ASF) for 2024/25 was confirmed at £17,852k, the allocation was subsequently updated post the budget approval and submission to £20,573k, which is 50.9% of the budgeted turnover.

Treasury policies and objectives

Treasury management is the management of the College's cashflows, its banking, money market and capital market transactions, the effective control of the risks associated with these activities and the pursuit of optimum performance consistent with those risks within the confines of Managing Public Money

The College has a separate Investment Policy, and the Policy on Treasury Management is incorporated within the Financial Regulations. All executive decisions concerning borrowing, investment or financing, are delegated to the Vice Principal Finance & Resources, following appropriate approval by the College Executive, and the Corporation.

Reserves

The College has no formal Reserves Policy but drew on up after the year-end to guide financial decision-making in future. The policy gives guidance on the minimum level of cash working capital and unrestricted reserves balances to ensure the college can both meet any short-term obligations but also ensure long-term sustainability. The reserves policy is not the only means of assessing going concern but contributes to this. The College keeps cash and reserves to ensure that it meets unexpected costs, deal with income shortfalls resulting from enrolment reductions of government funding changes and can meet the future costs of improving the buildings and reducing carbon emissions.
As at the balance sheet date the Income and Expenditure reserve stands at £28,880k (2022/23: £28,478k). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses. These reserves are required to enable the college to investment in facilities that maintain the colleges Industry focus and ensure learners are Career ready. The current focus is the investment in the development of the Lord Wolley Centre (LWC) into a Flexible Learner Hub.

PRINCIPAL RISKS AND UNCERTAINTIES:

Risk management

The College continues to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation whilst supporting the continued development of the College's core business.

The College's strategic risk register is maintained on 4Risk and is reviewed by Executive on a monthly basis and by the governing body subcommittees (with focus on their relevant areas) and also at the full board meeting on a termly basis The strategic risk register identifies the key risks and the impact on the College.

The strategic risk register recognises the mitigation that is in place and the level of assurance that is provided that the mitigation is appropriate and effective. Risk registers across the College are scored using a consistent methodology and context.

Reaseheath College

The strategic risk register is used within the strategic planning process. Once the strategic plan has been refreshed, the Executive undertakes a comprehensive review of the risks to which the College is exposed. Systems and procedures are identified including specific actions which should mitigate any potential impact of the risks on the College. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

The internal audit team is an integral tool for the Audit committee and executive to use to test and challenge the effectiveness of the mitigating processes and controls that the College has implemented.

The main risk factors affecting the College are outlined below along with actions being taken to mitigate them and minimise the impact on the College. Not all the factors are within the Colleges control. Additional factors to those outlined below may adversely affect the College all of which will be adversely influenced by the external environment.

Recruitment and retention of staff – The College has developed a strategy to support the future recruitment of staff which is already seeing positive results.
Increased incidence of mental health and wellbeing support requirement – The College continues to develop its wellbeing provision to support the increase in demand.
Maintaining the Financial sustainability of the College – The College currently has a debt facility of 35.82% of Turnover. The financial plan details the financial strategy in place to reduce the levels of debt whilst maintaining the quality of delivery to our students.

Risks that the College is aware of that may in the future affect the College are:

- Continued real term reduction in funding body funding.
- The increasing gap between school and college salaries and associated general cost of living increases.
- The continuing pressure on the non-pay costs reducing the colleges' ability to respond to changing needs.
- The direct and indirect impact of the FE white paper.
- The continued impact of the Apprenticeship Levy funding and associated study methodology.
- Delivery of the English and Maths within programmes of study.
- Impact on 19+ level 3 learners due to T Level delivery.
- The continued take up of Advanced Learner Loans for 19+ funding.

These risks are mitigated in a number of ways: -

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the College is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with funding bodies.
- Ensuring the College is focused on those priority sectors, which will continue to benefit from public funding.
- Regular dialogue with the local ESFA, LEA's and our HE Partners.
- Focus on sustainable full cost recovery work.
- Continue working relationships with the Local Enterprise Partnerships (LEP's) and chamber of commerce, through their funding streams, the Rural Development Programme for England (RDPE) and Prosperity fund.
- Continue working closely with LANDEX and the AOC to ensure the College contributes to national discussions and receives the latest information on the changing environment.
- Tuition fee policy.

The funding body intends to maintain individual contributions for tuition fees based on the current guidance as follows:

- 16-18 (at the commencement of learning).
- 19 – 24 dependent on prior learning, either fully funded or advanced learning loans.
- 24+ level 3 and above, advanced learning loans.

This risk is mitigated in a number of ways:-

- By continuing to rigorously develops high quality education and training, ensuring value for money for students.
- Development of strategic partnerships with local and national businesses.
- Close monitoring of the demand for courses as prices change.
- Continually monitoring the marketplace in order to ensure fees charged are competitive.
- Additionally, marketing support to inform learners of support through 24+ loans.
- Informing learners at an early stage of their application what the cost implication may be.

Other risks

The College continues to work effectively within its Federation with the University of Chester which has delivered growth and high quality, sustainable Higher Education. This supports the Further Education and apprenticeships in the region. The College continues to develop its infrastructure to support the HE requirements.
This risk is mitigated in a number of ways:-
- Governor scrutiny check and challenge of all developments
- Executive control, planning and forecasting.

KEY PERFORMANCE INDICATORS

The Education and Skills Funding Agency (ESFA) is the College's accountable body ensuring that providers are contributing to the National Target.

2023/24 FE Performance

	2023-24 Starts	KPI Ach Target	2023-24 Achievement	2023-24 Pass	2022-23 Retention
Overall	**4,255**	**83.0%**	**82.6%**	**92.6%**	**89.3%**
16 - 18	**3,990**	**83.0%**	**82.7%**	**92.6%**	**89.3%**
19+	**265**	**83.0%**	**81.8%**	**91.9%**	**89.1%**

- Learners who complete their programme of study, generally progress to high-quality industry relevant destinations. 93.6% of learners have a planned positive destination. Of those not continuing in education, 70% have progressed to vocationally relevant employment. The College tracks sustained destinations using an external provider. The survey that took place for learners who left in 2023, demonstrated that 89% of those are now in full time employment, with 70% stating that their employment opportunity was related to the course that they studied.

- Overall achievement rates have improved by 6.4% compared to the previous year (82.6% in 2023 and 76.2% in 2022). This is as a result of pass rates increasing by 7.1% to 92.6% and retention stabilising at 89.3%, an increase of 0.2% compared to 2022/23.

- The College continually monitors performance indicators and evaluates final outcomes through a comprehensive and robust self-assessment process. This includes validation at course, curriculum and college level, with panels including challenge from external visitors and governors.

- Learner satisfaction with their teaching and learning experience has improved, with 92.97% saying that their lessons have been engaging (a 9% increase compared to 2022/23) and the quality of Progress Coach support rating has increased from 7.47 to 7.68. In the most recent Pulse Survey, 95% of students stated they would recommend the College.

- In 2023/24 the College has delivered activity that has produced £21,131k in Funding Bodies main allocation funding (2022/23 £18,246k). The 16–18-year-old learner allocations target for 2023/24 was 2,193 Learners. The year-end funding claim shows that the College has achieved 1,847 Learners for 2023/24. The College had approximately 4,500 learners across its provision from Key Stage 4 through to Higher Education including Apprenticeships.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days, is 95%. During the accounting period 1 August 2023 to 31 July 2024, the College paid 91.1% (92.7% 2022/23) of its creditors, on average, within 30 days. This performance has deteriorated compared to the previous year and remains below the 95%. The College continued to process monthly supplier payment runs during the financial year, this resulted in some suppliers breaching the 30 Days payment target. The College incurred no interest charges in respect of late payments, under this legislation, for this period.

Reaseheath College

Streamlined Energy and Carbon Reporting

The college is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Delivery of a £940k investment into air source heat pumps supported by Salix and college funding
- Continuing with the upgrading of both internal and street lighting to LED
- Purchase of electricity sourced from renewable sources
- The college's greenhouse gas emissions and energy use for the period are set out below:

UK Greenhouse gas emissions and energy use data for the period	**1 August 2023 to 31 July 2024**	**1 August 2022 to 31 July 2023**
Energy consumption used to calculate emissions (kWh)	7,559,986	7,832,644
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	623,828	577,716
Owned transport	26,921	20,032
Total	**650,750**	**597,748**
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	**62,356**	**65,914**
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	**23,964**	**34,907**
Total gross emissions in metric tonnes CO2e	**737,070**	**698,569**
Intensity ratio Metric tonnes CO2e per student	0.149	0.119

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity ratio

The chosen intensity measurement ration is Number of Students

TRADE UNION FACILITY TIME

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total Pay Bill	21,320
Percentage of total pay bill spent on facility time	-%

Paid Trade union activities

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

EQUALITY, DIVERSITY AND INCLUSION

EQUALITY

Reaseheath is committed to building a diverse, equitable and inclusive College. Reaseheath is committed and accountable for advancing equity, diversity and inclusion in all its forms, and believes that diversity is critical to delivering excellence. Reaseheath is committed to enabling all members of the College community to achieve their full potential in an environment where equality of respect and opportunity are valued. Its EDI Policy sets out this commitment and the EDI Committee leads on the College's approach to bringing this policy to life. The EDI Committee has strong staff, student and governor representation. The College has a Diversity and Inclusion Manager who actively drives the College's approach towards this area, focusing on embedding a social inclusion model. The College's Policy and EDI key objectives are published on the College's Website and Intranet site.

The College publishes its EDI Report and EDI Objectives annually, and through transparent policies, practices and procedures it has due regard to its duties under the Equality Act 2010. The College undertakes equality impact assessments on new policies and procedures to understand the impact that these will have and makes appropriate adjustments. The EDI Committee delivers against the key objectives, and these are reviewed regularly and evolve throughout the year as the College makes progress in this area.

The College is a 'Mindful Employer' and promotes a culture of positive mental health amongst its staff and students. It delivers a range of awareness training and activities around positive mental health, supported by its Wellbeing Team. Promoting the various benefits of the Employee Assistance Programme (EAP) offered through Education Support. Wellbeing and mental health are priorities for the College, and we are working towards the AOC and DfE Wellbeing Charters. The College is also a 'Disability Confident' Employer and is committed to recruiting, retaining and developing disabled people and people with health conditions, based on their skills and talent.

GENDER PAY GAP

	Year ending 31 March 2023
Mean gender pay gap	16.2%
Median gender pay gap	4.8%
Mean bonus gender pay gap	NA
Median gender bonus gap	NA
Proportion of males/females receiving a bonus	NA

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

	Males	Females
1 - Lower quartile	21%	79%
2	26%	74%
3	40%	60%
4 – Upper quartile	45%	55%

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

DISABILITY STATEMENT:

The College seeks to comply with the Equality Act 2010 and this is evident through all the College's Policies and Procedures. As the Colleges policies and procedures are being reviewed, they are now equality assessed in line with the Equality Act 2010. Particular confirmation of the College's commitment can be seen from the following actions:

- All College capital builds comply with the Disability Discrimination Act (DDA) requirements.
- The College has appointed an Equality and Diversity Manager who also facilitates the Equality and Diversity Committee that advises on all matters relating to Equal Opportunities. This is chaired by the Director of People and Culture.
- Specialist equipment is available to support students and staff with learning difficulties and disabilities.
- The admissions policies for all students are available on the College's website.
- The College offers bursaries to enable learners with financial difficulties to access learning. Appeals against a decision not to offer a bursary are dealt with under the complaints policy.

- The College has made a significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format.
- Counselling and welfare services are set out in the Student Handbook which is sent to students with their enrolment information. Students are also issued with information on the College Complaints Policy at induction.

Staff Partnership Forum

The College has a Staff Partnership Forum of elected staff representatives, whose role is to share, consult and communicate between staff and management on key issues, including supporting the development of new college timetables. Regular meetings are held between representatives and management, during the year there were 8 representatives (6 2022/23).

Going Concern

The College plan for FY2024/25 takes into consideration the continued financial pressures on the business whilst ensuring the continued safety of staff, students and visitors. Based on this plan the Corporation has prepared financial forecasts for the period to 31 July 2025 and considered sensitivities against these forecasts based on plausible worst-case scenarios and informed by the risks identified in the College plan. The forecast for 2024/25 is a small operating surplus, however the EBITDA is strong c9% of T/O, taking into account any relevant new knowledge on student numbers and the external and internal environment. These forecasts show that the College's current funding arrangements are sufficient for the period under review and that the College is a going concern.

Events After the Reporting Period

There are no known events after the balance sheet date.

Disclosure 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 17th December 2024 and signed on its behalf by:

Jane Cowell

Ms J Cowell OBE
Chair

Statement of Corporate Governance and Internal Control

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

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- 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 principles of the Code, and it has complied throughout the year ended 31 July 2024. It is satisfied that it has complied with the principles of the Code in relation to Terms of Office of Governors, though it does not follow the precise maximum length of term, which is suggested in the Code. The pro-active Search and Governance Committee ensures that succession planning is strong and that there is always a good balance between new members with fresh ideas and the organisational memory and experience provided by longer serving members. This opinion is based on an internal governance evaluation reported to the Corporation on 22 November 2024. It is also based on the external governance evaluation reported to the Corporation on 13 July 2023 undertaken by Stone King LLP. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges, which it formally adopted on 1 August 2015.

The Corporation

The Members who served on the Corporation during the year and up to the date of signature of this report are listed below.

Name	***Date Appointed/ reappointed***	***Term of Office***	***Date of resignation***	***Status of Appointment***	***Committees Served***	***Attendance (committee and corporation not incl. special meetings)***
D Pearson MBE	Aug 2012 Aug 2015 Aug 2018 Aug 2021	3 Years	March 2024	External	Q&S FGP Rem Co S&G	4/10
E Harrison	Aug 2013 Aug 2016 Aug 2019 Aug 2022	3 Years		External	FGP Rem Co S&G	11/12
M Clinton	Aug 2018	Ex officio		Principal	Q&S FGP HE S&G CSS	15/16
J Cowell	Aug 2019 Aug 2022	3 years		External	Q&S FGP S&G Rem Co CCS	12/12
M Burns	Aug 2012 Aug 2015 Aug 2018 Aug 2021	3 Years	July 2024	External	FGP	5/7
P Green	March 2019 March 2022	3 Years		External	Q&S Audit	10/10

G Crowe	March 2019 March 2022	3 Years		External	Audit HE	8/10
A Fletcher	March 2018 March 2021 March 2024	3 years	July 2024	External		2/4
M Gorton	Aug 2019 Aug 2022	3 Years		External	Audit Q&S S&G CSS	7/10
C Gaskell	Dec 2017 Dec 2020 Dec 2023	3 years		External	HE S&G	7/10
A Potter	Dec 2017 Dec 2020 Dec 2023	3 years		External	FGP S&G Rem Co	6/7
E Simmons	Aug 2020 Aug 2023	3 years		External		1/4
E Davies-Jones	Aug 2021	3 years	July 2024	External	Audit Rem Co	8/9
E Watts	March 2019 March 2022	3 years		Staff	FGP HE CSS	9/10
P Gibbon	Aug 2021	3 years		Staff	Q&S	5/7
P Weston	Dec 2022	3 years		External	FGP	5/7
C Crispin	Nov 2023	1 year	July 2024	Student	HE	2/7
A Hickey	Nov 2023	1 year	July 2024	Student	Q&S	4/7
I Yates	Nov 2023	1 year	July 2024	Student	Q&S	6/7
S Lakin	July 2024	1 year		Student	CSS	-
S Phillips	July 2024	1 year		Student	Q&S	-
F Cooper	July 2024	1 year		Student	HE	-
S Houlston	July 2024	3 years		External	CSS	-
J Erskine	October 2024	3 years		External	Q&S FGP	-
A Austin	October 2024	3 years		External	Audit	-
C Blanchard	December 2024	2 years		External	HE	-

P Johnson served as a co-opted member of the Higher Education Committee in 2023-24. F Johnson served as a co-opted member of the Audit Committee in 2023-24. S Belfield served as a co-opted member of the Remuneration Committee in 2023-24. None were members of the Corporation in 2023-24. K Bailey and A Taylor served as Associate Members of the Corporation in 2023-24. Associate membership of the Corporation is a non-voting membership and members do not count towards the quorum.

The Governance Framework

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 and holds additional meetings as necessary.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. In 2023-24 these committees were Finance and General Purposes, Audit, Remuneration, Search and Governance, Quality and Standards, Higher Education and Special Committee/Staff Appeals (meets only as required). Confirmed minutes of all meetings, except those deemed to be confidential, are available on the College website at www.reaseheath.ac.uk or from the Company Secretary and Head of Governance ('Company Secretary') at:

Reaseheath College
Reaseheath
Nantwich
Cheshire
CW5 6DF

The Company Secretary 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 Company Secretary, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Company Secretary are matters for the Corporation as a whole. The Company Secretary holds a relevant governance qualification and has undertaken further professional development during the year on the Chartered Governance Institute UK and Ireland's Chartered Governance Professional Qualifying Programme.

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive Governors 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 Chairman and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee consisting of the Governors as shown in the table above, which is responsible for the selection and nomination of any new Governors for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided. Members of the Corporation are appointed for a term of office not exceeding four years. Members are eligible for re-appointment up to a maximum of three terms.

Corporation Performance

The Governors review Corporation performance every year against the values and principal responsibilities set out in the Code. The Corporation, through its Chair and its Search and Governance Committee reviews the performance and effectiveness of Governors on an on-going basis. Governors review the performance of the Chair on an annual basis, with a Senior Independent Governor role in place to assist this process. Each Committee of the Corporation reviews its own performance against its Terms of Reference on an annual basis and reports to the Corporation.

The Governing body has considered DFE guidance on board reviews and commissioned its first external review in 2023, the Governing body plans to carry out its next external review in 2026. During 2024 the Corporation carried out a self-assessment of its performance, the assessment consisted of survey responses, a review of performance against the principles of the Code and progress on the governance development plan that was based on the external review of governance carried out in 2023. The Corporation considers that it has made good progress against the development plan objectives, building strengths in several key areas and is committed to continued development and improvement.

Capability: The Corporation has secured its capability strengths for the future by further developing its succession planning approach and by further consideration of Corporation diversity, induction processes and ongoing training, with this a continued focus in its development plan.

Culture: The Corporation has enhanced the strong stakeholder centred culture by developing its structure with a new Curriculum Skills and Stakeholders Committee established for the 2024-25 academic year and several new appointments to the Corporation and its committees that strengthen the stakeholder voice, with dedicated strategic development time on stakeholder and engagement frameworks to support the college's engagement strategies.

Strategy and Planning: The Corporation has developed the College's strategic plan 2024-2027 and has enhanced the visibility of its strategic impact on the progress of the college via the strategic risk and strategic progress reporting in formal meetings.

Structures and Processes: The Corporation has reviewed its structures and processes to enhance visibility of the Corporation's accountability and impact, including to ensure that it takes into account elements of the Higher Education Code of Governance where relevant in addition to its formal adoption of the AoC Code.

Governors undertook development activities during the year including four days dedicated to training development and strategy development, in addition to its usual meetings within which updates and training is received. This included an away event over two days to another specialist land-based college to share good practice. Development activities included: safeguarding and prevent; health and safety; external policy environment; developing risk appetite and risk management in strategic planning; stakeholder frameworks and industry engagement, curriculum planning and how well the college meets skills needs in the design and implementation of the curriculum; Careers advice and guidance; Ofsted's education inspection framework; audit and risk updates provided by college auditors; and opportunities for governors to attend online sector courses and sector forums and meetings. The Company Secretary undertook ongoing development in 2023-24 and achieved qualification in the Chartered Governance Institute UK and Ireland's Qualifying Programme.

Remuneration Committee

During the year ended 31 July 2024, the College's Remuneration Committee comprised four independent governors and one external co-opted member, with human resource management expertise. The Committee's responsibilities are to make recommendations to the Corporation, on the remuneration and benefits of the Accounting Officer and other senior post-holders. The Corporation has adopted the Association of Colleges' Senior Staff Remuneration Code, which it formally adopted on 21 March 2019.

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

No payment was made for the fulfilment of the Governors' roles, however £2,236 (2022/23 - £2,776) of expenses incurred were paid.

Audit Committee

In 2023-24, the Audit Committee comprised four members of the Corporation (excluding the Accounting Officer), an associate member and a co-opted committee member. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal audit, 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 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 auditors, 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 three times in the year to 31 July 2024. The members of the Audit Committee and their attendance record is shown below.

Committee member	Meetings attended
G Crowe	3
K Bailey	1
P Green	3
M Gorton	2
F Johnson	3
E Davies-Jones	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 he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between the College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal controls.

The purpose of the system of internal control

The system of internal control is based on an ongoing process to identify and prioritise the risks to the achievement of the 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 Reaseheath 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 year 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.

Reaseheath 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 internal audit service provides the Corporation with a report on internal audit activity in the College. The report includes their independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

The College's risk management framework aims to ensure that its risk management decisions support the achievement of its strategic objectives and that the risk preferences of its stakeholders are considered. The framework consists of principles, policies and processes to identify, assess, monitor and control risks. Risks are assessed and prioritised using an impact and likelihood evaluation of key strategic, delivery, financial and compliance risk areas, and the principal risks are identified and managed, as set out in the strategic report.

The College's overall risk appetite is set out in its Risk Management Policy as: The College as a well-managed college is prepared to take measured risks provided that the risks involved have been properly considered, are understood and are well managed. In this way, the College intends to manage change and promote innovation. The College operates in a competitive and uncertain external environment and the Governing Body is committed to taking such measured risks where it is in the College's best interests to do so to achieve its strategic objectives and promote its long-term sustainable success.

This overarching risk appetite is implemented via a risk management process that acknowledges that risk appetite differs over time and in relation to different individual risks. To enable informed and consistent decision-making and effective mitigations, the College's strategic risk register considers risk appetite on a 'live' risk by risk basis using a 'target risk' approach against which risks are regularly reviewed, using key performance indicators and benchmarking. Those risks that are significantly above 'target risk' require additional mitigation actions that are monitored via the committees of the Corporation, including the Audit Committee and reported for assurance or escalated for action to the Corporation, as appropriate.

The current principal risk areas to the organisation as set out in the strategic risk register are:

- Financial
- Student Outcomes and Quality
- College Strategy and External Environment
- Employer Engagement and Key Partnerships
- Infrastructure, Resources and Business Continuity
- People
- Safeguarding
- Health and Safety
- Improper Conduct/Breach of Statutory Requirements

The College reviews the risk register at its regular executive meetings and the relevant areas are also reviewed in the Corporation committee meetings and by the Audit Committee, which reports to the Corporation on risk management on a termly basis.

Control weaknesses identified

The internal auditors did not identify any significant internal control weaknesses or failures during the year.

Responsibilities under accountability agreements

The Department for Education and the Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office of 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 Department for Education approval is required.

Statement from the audit committee

The Audit Committee has advised the 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 review undertaken by the Audit Committee in 2023/24 and up to the date of the approval of the financial statements are:

- Setting the internal audit plan
- Reviewing internal audit reports and ensuring progress is made on any required actions.
- Carrying out the annual review and re-appointing the internal and external audit service
- Reviewing the College Statutory accounts and audit completion report, recommending to the Governors as appropriate

Review of effectiveness

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

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

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

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

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, 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 17th December 2024 and signed on its behalf by:

Ms J Cowell OBE
Chair

Mr M Clinton
Accounting Officer

Reaseheath 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, priority and compliance, and the requirements of the Corporation's accountability agreement, 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 accountability agreement, 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.

Mr M Clinton
Accounting Officer
Date 17th 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.

Ms J Cowell OBE
Chair of Governors
Date 17th December 2024

Statement of the Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Corporation's accountability agreement, 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 Corporation and its surplus / deficit of income over expenditure for that period.

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

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

The Corporation is also required to prepare a 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 Corporation.

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 by Parliament 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 the accountability agreement, 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. 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 economical, efficient and effective management of the College'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 17th December 2024 and signed on its behalf by:

Ms J Cowell OBE
Chair

Independent auditor's report to the Members of the Corporation

Opinion

We have audited the financial statements of Reaseheath College (the 'College') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows 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 applicable law and 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) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

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 its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report of the Members of the Corporation and Statement of Corporate Governance and Internal Control.

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

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

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 19, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the College and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the ESFA funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, HM Treasury's "Managing public money".

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation.

In addition, we evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the assumptions used in determining the valuations of defined benefit obligations, revenue recognition (which we pinpointed to the cut-off assertion in respect of non-recurrent funding body grant income), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Other required reporting
Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the financial statements, has been materially misstated.

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars LLP
Forvis Mazars LLP (Dec 19, 2024 14:36 GMT)

David Hoose (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 19, 2024

Independent auditor's Report on Regularity to the Members of the Corporation

To: The corporation of Reaseheath College and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")

In accordance with the terms of our engagement letter dated 02 July 2024 and further to the requirements and conditions of funding in ESFA and DfE's accountability agreements, 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 Reaseheath College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Reaseheath College and the reporting accountant

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the accountability agreements, grant funding agreements and contracts with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.

Reaseheath College

- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with the requirements of HM Treasury's "Managing Public Money" document.

Conclusion

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

Signed: Forvis Mazars LLP
Forvis Mazars LLP (Dec 19, 2024 14:37 GMT)

Forvis Mazars LLP

Reporting Accountant

Date: Dec 19, 2024

Reaseheath College

Statement of Comprehensive Income & Expenditure

Statement of Comprehensive Income

Reaseheath College	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
INCOME			
Funding body grants	2	27,900	25,967
Tuition fees and education contracts	3	4,585	5,449
Other grants and contracts	4	-	-
Other income	5	7,107	6,764
Endowment and investment income*	6	640	38
Total income		**40,232**	**38,218**
EXPENDITURE			
Staff costs*	7	21,320	20,490
Other operating expenses	8	13,280	13,680
Depreciation	11	3,350	2,890
Interest and other finance costs	9	1,120	893
Total expenditure		**39,070**	**37,952**
Surplus before other gains and losses**		**1,162**	**266**
(Loss) on disposal of assets		(7)	(15)
Surplus before tax		**1,155**	**251**
Taxation	10	-	-
Surplus for the year		**1,155**	**251**
Actuarial gain\(loss) in respect of pensions schemes	24	(944)	384
Movement in enhanced pension provision	17	(41)	29
Total Comprehensive Income for the year		**170**	**664**

The below table does not form part of the statutory financial statements

Surplus before other gains and losses	**	1,162	266
Defined benefit pension obligations FRS102(28)	*	(944)	422
Adjusted operating position		**218**	**688**

College Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
College			
Balance at 1st August 2022	27,582	5,484	33,066
Deficit from the income and expenditure account	251	-	251
Other comprehensive income	413	-	413
Transfers between revaluation and income and expenditure account	232	(232)	-
Total comprehensive income for the year	896	(232)	664
Balance at 31st July 2023	**28,478**	**5,252**	**33,730**
Surplus from the income and expenditure account	1,155	-	1,155
Other comprehensive income	(985)	-	(985)
Transfers between revaluation and income and expenditure reserves	232	(232)	-
Total comprehensive income for the year	402	(232)	170
Balance at 31st July 2024	**28,880**	**5,020**	**33,900**

Reaseheath College

Balance Sheet as at 31July

Balance sheets as at 31 July

	Notes	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	11	78,010	74,716
		78,010	**74,716**
Current assets			
Stocks	12	822	880
Trade and other receivables	13	3,494	3,307
Investments	14	79	79
Cash and cash equivalents	19	9,786	12,343
		14,181	**16,609**
Less: Creditors – amounts falling due within one year	15	(10,538)	(13,448)
Net current assets		**3,643**	**3,161**
Total assets less current liabilities		**81,653**	**77,877**
Less: Creditors – amounts falling due after more than one year	16	(47,493)	(43,904)
Provisions			
Defined benefit obligations	24	-	-
Other provisions	18	(261)	(243)
Total net assets		**33,900**	**33,730**
Unrestricted reserves			
Income and expenditure account		28,880	28,478
Revaluation reserve		5,020	5,252
Total unrestricted reserves		**33,900**	**33,730**

The financial statements on pages 26 to 51 were approved and authorised for issue by the Corporation on 17th December 2024 and were signed on its behalf on that date by:

Ms Jane Cowell OBE
Chair

Mr M Clinton
Accounting Officer

Reaseheath College

Statement of Cash Flows

	Notes	2024 £'000	2023 £'000
Cash inflow from operating activities			
Surplus for the year		1,155	251
Adjustment for non cash items			
Depreciation	11	3,350	2,889
(Increase)/Decrease in stocks	12	58	(66)
(Increase)/Decrease in debtors due within one year	13	(187)	803
Increase/(Decrease) in creditors due within one year	15	(2,910)	4,729
Increase/(Decrease) in creditors due after one year	16	2,581	(5,212)
(Decrease)/Increase in provisions	18	(24)	(20)
Pensions costs less contributions payable	24	(944)	422
Adjustment for investing or financing activities			
Investment income	6	(262)	(38)
Interest payable	10	1,120	893
Profit/(Loss) on sale of fixed assets	11	7	15
Net cash flow from operating activities		**3,944**	**4,666**
Cash flows from investing activities			
Proceeds from sale of fixed assets		133	10
Interest and investment income		262	-
Capital grants received		2,135	5,787
Payments made to acquire fixed assets	11	(6,783)	(3,285)
		(4,253)	**2,512**
Cash flows from financing activities			
Interest paid		(1,120)	(892)
Interest element of finance lease rental payments		-	(1)
Repayments of amounts borrowed		(1,128)	(1,129)
Capital element of finance lease rental payments		-	(4)
		(2,248)	**(2,026)**
Increase in cash and cash equivalents in the year		**(2,557)**	**5,152**
Cash and cash equivalents at beginning of the year	19	12,343	7,191
Cash and cash equivalents at end of the year	19	9,786	12,343

Notes to the Financial Statements

1 Accounting Policies

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2023 to 2024 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.
The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.
The financial statements are presented in Pound Sterling (£), rounded to the nearest thousand.

Basis of accounting

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

Going concern

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

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

Recognition of income

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

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

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.

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.

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.

1 Accounting Policies (continued)

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.

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.

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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is, therefore, treated as a defined contribution scheme and the contributions recognised as they are paid in the year.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Short term Employment benefits

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

Enhanced Pensions

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

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Reaseheath College

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

Land and buildings

The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value.

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated insurance valuation, and inherited land at market value without milk quota. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

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

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.
On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

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

Equipment

Equipment costing less than £2,000 per individual item is written off to the income and expenditure account in the period of acquisition, except where an asset that forms part of a project is under £2,000 it is capitalised as an asset. All other equipment is capitalised at cost.

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

- Motor vehicles 5 years on a straight-line basis
- Computer equipment 3 years on a straight-line basis
- Plant and Equipment 10 years on a straight-line basis

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

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

Leased assets

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

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

Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.
Biological assets are stated at the lower of their fair values less costs to sell.

Investments

Investments are recognised at cost less any provisions for impairment.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Foreign currency transactions

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

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.

Reaseheath College

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

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

Provisions and contingent liabilities

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.
A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Agency arrangements

The College acts as an agent in the collection and payment of 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets,. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- As the present value of the defined benefit obligation at the reporting date is less that the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Reaseheath College

Notes to the Financial Statements (continued)

2 Funding council grants

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Recurrent grants		
Education and Skills Funding Agency - adult	1,164	1,067
Education and Skills Funding Agency – 16 -18	21,131	18,624
Education and Skills Funding Agency - apprenticeships	3,934	4,009
Office for Students	252	509
Specific Grants		
Skills Funding Agency	154	735
Releases of government capital grants	552	446
HE grant	58	55
Teacher Pension Scheme Contribution Grant	655	522
Total	**27,900**	**25,967**

3 Tuition fees and education contracts

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Adult education fees	634	688
Apprenticeship fees and contracts	52	160
Fees for FE loan supported courses	295	412
Fees for HE loan supported courses	3,330	3,739
Total tuition fees	**4,311**	**4,999**
Education contracts	49	49
Higher Education contract income	225	401
Total	**4,585**	**5,449**

Reaseheath College

Notes to the Financial Statements (continued)

4 Other grants and contracts

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
European Commission	-	-

5 Other income

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Catering and residences	3,706	4,054
Other income generating activities	105	117
Farming income	1,034	973
Other grant income	515	-
Non government capital grants	392	392
Miscellaneous income	1,355	1,228
Total	**7,107**	**6,764**

6 Investment income

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Other interest receivable	262	-
Pension finance income (note 24)	378	38
Total	**640**	**38**

Reaseheath College

Notes to the Financial Statements (continued)

7 Staff costs

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

	Year ended 31 July 2024 No.	Year ended 31 July 2023 No.
Teaching staff	200	204
Non teaching staff	403	402
	603	**606**

Staff costs for the above persons

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Wages and salaries	16,299	15,038
Social security costs	1,476	1,323
Other pension costs	3,177	3,764
Payroll sub total	**20,952**	**20,125**
Contracted out staffing services	368	365
	21,320	**20,490**
Restructuring costs approved by Corporation - contractual	-	-
Total Staff costs	**21,320**	**20,490**

From 1st July 2024 The Corporation launched an Electric Vehicle salary sacrifice car scheme, at 31st July there were no applicants to the scheme.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, Vice Principal Finance & Resources and the Vice Principal Curriculum & Quality.

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

	Year ended 31 July 2024 No.	Year ended 31 July 2023 No.
The number of key management personnel including the Accounting Officer was:	**3**	**3**

Notes to the Financial Statements (continued

7 Staff costs - (Continued)

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

	Key management		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£ 60,001 to £ 65,000 p.a	-	-	1	2
£ 65,001 to £ 70,000 p.a	-	-	2	2
£ 70,001 to £ 75,000 p.a	-	-	3	-
£ 75,001 to £ 80,000 p.a	-	-	-	1
£ 80,001 to £ 85,000 p.a	-	-	-	-
£ 85,001 to £ 90,000 p.a	-	-	-	-
£ 90,001 to £ 95,000 p.a	-	1	-	-
£ 95,001 to £ 100,000 p.a	1	1	-	-
£ 100,001 to £ 105,000 p.a	1	-	-	-
£ 145,001 to £ 150,000 p.a	-	1	-	-
£ 150,001 to £ 155,000 p.a	-	-	-	-
£ 155,001 to £ 160,000 p.a	1	-	-	-
	3	**3**	**6**	**5**

Note: During the year an other staff postholder ceased employment with the College in Mar-24, the post was replaced from May-24. As a result, their emoluments for 2024 do not fall into any of the above ranges.

Key management personnel emoluments are made up as follows:

	2024	2023
	£'000	£'000
Salaries	350	331
Employers National Insurance	45	43
Benefits in kind	8	7
	403	**381**
Pension contributions	87	78
Total emoluments	**490**	**459**

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

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2024	2023
	£'000	£'000
Salaries	156	146
Benefits in kind	3	2
	159	148
Pension contributions	40	35

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

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

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

Notes to the Financial Statements (continued)

7 Staff costs - (Continued)

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

	2024	2023
Principal's basic salary as a multiple of the median of all staff	5.86	6.14
Principal and CEO's total remuneration as a multiple of the median of all s	8.03	8.35

The median pay is calculated on a full-time equivalent basis for the salaries paid by the college to all staff

8 Other operating expenses

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Teaching costs	1,583	1,753
Non teaching costs	8,728	8,977
Premises costs	2,969	2,950
Total	**13,280**	**13,680**

Other operating expenses include:	**2024 £'000**	**2023 £'000**
Auditors' remuneration:		
Financial statements audit	46	44
Internal audit	40	36
Other services provided by the financial statements auditors	2	4
Hire of assets under operating leases	425	443

9 Interest payable

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
On bank loans, overdrafts and other loans:	1,120	892
	1,120	892
On finance leases	-	1
Total	**1,120**	**893**

10 Taxation

	2024 £'000	2023 £'000
United Kingdom corporation tax	-	-

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

Reaseheath College

Notes to the Financial Statements (continued)

11 Tangible fixed assets

	Land and buildings Freehold £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation				
At 1 August 2023	91,433	20,765	171	112,369
Additions	73	4,737	1,973	6,783
Transfers	(627)	695	(68)	0
Disposals	45	(2,167)	(8)	(2,130)
At 31 July 2024	**90,924**	**24,030**	**2,068**	**117,022**
Depreciation				
At 1 August 2023	23,670	13,983	0	37,653
Transfers	(232)	232	0	0
Charge for the year	1,700	1,650	0	3,350
Elimination in respect of disposals	37	(2,028)	0	(1,991)
At 31 July 2024	**25,175**	**13,838**	**0**	**39,012**
Net book value at 31 July 2024	**65,749**	**10,192**	**2,068**	**78,010**
Net book value at 31 July 2023	67,763	6,782	171	74,716

Land and buildings valuations were established with the assistance of independent professional advice, on incorporation.

The net book value of equipment includes an amount of £NIL (2022-23 – £20,114) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £NIL (2022-23 – £3,498).

Reaseheath College

Notes to the Financial Statements (continued)

12 Stocks

	2024 £'000	2023 £'000
Livestock (Biological assets)	631	685
Other	191	195
Total	**822**	**880**

Inventories with the exception of Farm stocks are stated at the lower of their cost and net realisable value. Farm stock including Livestock have been valued at Fair Value on 31st July 2024. Biological assets included within Livestock are broken down as follows:

Biological assets	**Cattle £'000**	**Sheep £'000**	**Total £'000**
Balance at 1st August 2022	552	66	618
Increase due to purchases	56	-	56
Decrease due to sales	(58)	(3)	(61)
Net increase due to births/deaths	-	-	-
Change in fair value less costs to sell:	-	-	-
- Due to price changes	12	(5)	7
- Due to physical changes	56	9	65
Balance at 31st July 2023	618	67	685
Balance at 1st August 2023	618	67	685
Increase due to purchases	-	-	-
Decrease due to sales	(58)	(36)	(94)
Net increase due to births/deaths	(4)	(3)	(7)
Change in fair value less costs to sell:	-	-	-
- Due to price changes	18	(3)	15
- Due to physical changes	30	3	33
Balance at 31st July 2024	604	27	631

13 Debtors: amounts falling due within one year

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	2,041	2,205
Net VAT liability receivable	64	23
Prepayments and accrued income	1,118	779
Amounts owed by the Skills Funding Agency	271	300
Total	**3,494**	**3,307**

Notes to the Financial Statements (continued)

14 Current investments

	2024 £'000	2023 £'000
Investment in UK Arla Farmers Cooperative Limited	79	79
Total	**79**	**79**

Investment in The UK Arla Farmers Cooperative Limited – the UK corporate member of Arla created by the merger of AMCo and AML on 1st January 2016.

15 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank loans and overdrafts	1,128	1,128
Trade payables	2,107	1,419
Other creditors	1,240	5,038
Holiday Pay Accrual	84	48
Other taxation and social security	360	311
Accruals and deferred income	3,730	4,042
Deferred income - government capital grants	1,417	1,233
Amounts owed to the Skills Funding Agency	472	229
Other creditors - Kingsley Fields	-	-
Total	**10,538**	**13,448**

16 Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Bank loans	12,788	13,916
Deferred income - government capital grants	34,705	29,988
Total	**47,493**	**43,904**

17 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2024 £'000	2023 £'000
In one year or less	1,128	1,128
Between one and two years	1,128	1,128
Between two and five years	11,660	12,788
In five years or more	-	-
Total	**13,916**	**15,044**

The Group entered into a new Term Facility Agreement on 31st July 2021, this facility is at SONIA plus 2.50% repayable in instalments to 31st July 2026. The amortisation period of the loan is calculated over 15 years and the agreed term of the loan is 5 years. This has been reflected in the above repayment schedule.

The bank loan is secured on a portion of the freehold land and buildings of the College.

18 Provisions

	Defined benefit Obligations £'000	Enhanced pensions £'000	Other £'000	Total £'000
At 1 August 2023	-	243	-	243
Expenditure in the period	(2,165)	(23)	-	(2,188)
Transferred from income and expenditure account	(7,914)	41	-	(7,873)
Notional surplus not recognised	10,079	-	-	10,079
At 31 July 2024	**-**	**261**	**-**	**261**

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

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

The principal assumptions for this calculation are:

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

19 Analysis of changes in net debt

	At 1 August 2023 £'000	Cash flows £'000	Other changes £'000	At 31 July 2024 £'000
Cash and cash equivalents				
Cash	12,343	(2,557)	-	9,786
Total cash and cash equivalents	**12,343**	**(2,557)**	**-**	**9,786**
Borrowings				
Senior loan	(15,044)	1,128	-	(13,916)
Total Borrowing	**(15,044)**	**1,128**	**-**	**(13,916)**
Total net debt	**(2,701)**	**(1,429)**	-	**(4,130)**

20 Capital commitments

	2024 £'000	2023 £'000
Commitments contracted for at 31 July	1,288	245
Authorised, but not contracted for at 31 July	-	992

There were no authorised but not contracted capital commitments at 31st July 2024.

21 Lease Obligations

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

	2024 £'000	2023 £'000
Future minimum lease payments due		
Other		
Not later than one year	483	336
Later than one year and not later than five years	1,238	1,040
later than five years	1,247	1,379
	2,968	**2,755**

22 Contingent liabilities

There are no known contingent liabilities provided for at the year end.

23 Events after the reporting period

There are no known events after the reporting period

Notes to the Financial Statements (continued)

24 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 Cheshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Cheshire Council. Both are multi-employer defined-benefit plans.

Total pension cost for the year	**2024**		**2023**	
	£'000	**£'000**	**£'000**	**£'000**
Teachers Pension Scheme: contributions paid		1,581		1,361
Local Government Pension Scheme:				
Contributions paid	2,165		1,983	
FRS 102 (28) charge	(3,109)		(1,599)	
Charge to the Statement of Comprehensive Income		(944)		384
Enhanced pension charge to Statement of Comprehensive Income		20		20
Total Pension Income and Expenditure for Year within Staff Costs & Endowment & Investment Income		**657**		**1,765**

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Under the definitions set out in FRS102 (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 FRS102 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 TP 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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (Estimated future contributions together with notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compaed to 23.68% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional cost during the 2024-25 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teacher's Pension Scheme website.
The pension costs paid to TPS in the year amounted to £2,099,100 (2023: £1,841,644).

Notes to the Financial Statements (continued)

24 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 Cheshire West and Chester Local Authority. The total contribution made for the year ended 31 July 2024 was £2,724k of which employer's contributions totalled £2,165k and employees' contributions totalled £559k. The agreed contribution rates for future years are 23.55% (with a further 1.25% paid to separate Ill Health Insurance) for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

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

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.45%	3.70%
Future pensions increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption (CPI)	2.75%	3.00%
Commutation of pensions to lump sums	65.00%	65.00%

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

	At 31 July 2024	At 31 July 2023
	years	years
Retiring today		
Males	20.60	20.70
Females	24.20	24.20
Retiring in 20 years		
Males	21.40	21.50
Females	25.30	25.40

The college's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	Long-term rate of return expected at 31 July 2024	Fair value at 31 july 2024	Long-term rate of return expected at 31 July 2023	Fair Value at 31 July 2023
		£'000	.	£'000
Equity instruments		25,503		21,819
Debt instruments		18,362		16,819
Property		6,121		5,909
Cash		1,020		909
Total fair value of plan assets		**51,006**		**45,456**
Weighted average expected long term rate of return	8.0%		-3.8%	
Actual return on plan assets		**1,387**		**(3,406)**

24 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

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

	2024 £'000	2023 £'000
Fair value of plan assets	51,006	45,456
Present value of plan liabilities	(40,927)	(38,260)
Notional surplus not recognised	(10,079)	(7,196)
Net pensions (liability) (Note 18)	**-**	**-**

As the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recongnised in these financial statement in line with paragraph 28.22 of FRS102.

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

	2024 £'000	2023 £'000
Amounts included in staff costs		
Current service cost	1,599	2,405
Past service cost	-	-
Total	**1,599**	**2,405**
Amounts included in interest payable		
Net interest received	(378)	(38)
	(378)	**(38)**
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	1,387	(3,406)
Experience gains arising on defined benefit obligations	-	-
Changes in assumptions underlying the present value of plan liabilities	552	9,690
Notional surplus not recognised	(2,883)	(5,900)
Amount recognised in Other Comprehensive Income	**(944)**	**384**

Reaseheath College

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Movement in net defined benefit liability during the year

	2024 £'000	2023 £'000
Notional Surplus (Deficit) in scheme at 1 August	7,196	1,296
Movement in year:		
Current service cost	(1,599)	(2,405)
Employer contributions	2,165	1,983
Past service cost	-	-
Net interest on the defined liability	378	38
Effect of business combinations and disposals	-	-
Actuarial gain or loss	(8,140)	(912)
Net defined benefit liability at 31 July	**-**	**-**

Asset and Liability Reconciliation

	2024 £'000	2023 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	38,260	44,287
Current Service cost	1,599	2,405
Interest cost	1,963	1,585
Contributions by Scheme participants	559	514
Experience gains and losses on defined benefit obligations	-	-
Changes in financial assumptions	(1,818)	(12,823)
Changes in demographic assumptions	(82)	(877)
Other experience	1,348	4,010
Estimated benefits paid	(902)	(841)
Past Service cost	-	-
Curtailments and settlements	-	-
Defined benefit obligations at end of period	**40,927**	**38,260**

Reconciliation of Assets

	2024 £'000	2023 £'000
Fair value of plan assets at start of period	45,456	45,583
Interest on plan assets	2,341	1,623
Return on plan assets	1,387	(3,406)
Employer contributions	2,165	1,983
Contributions by Scheme participants	559	514
Estimated benefits paid	(902)	(841)
Assets at end of period	**51,006**	**45,456**

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability, Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgement, would be expected to change the disclosed past service cost.

Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.1% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.1% pa increase the estimated cost by 65%.

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation.

This High Court ruling was appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised as a result of this ruling, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

The Governors will continue to monitor the developments and consider the impact on the LGPS liabilities recognised by the College.

25 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £2,236; 5 governors (2023: £2,776; 4 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity, it also includes costs for advisory work relating to the governor review.

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

Reaseheath College

Notes to the Financial Statements (continued)

26 Amounts disbursed as agent

Learner support funds

	2024 £'000	2023 £'000
Balance unspent as at 1 August, included in creditors	796	670
Funding body grants – 16-19 bursary support	49	54
Funding body grants – 16-19 discretionary learner support	387	413
Funding body grants – 16-19 residential bursaries	271	258
Other Funding body grants	-	-
Interest earned		
	1,503	1395
Disbursed to students	(625)	(583)
Administration costs	(26)	(24)
Paid by/(Returned to) funding bodies	-	8
Amount in financial statements	-	-
Balance unspent as at 31 July, included in creditors	**852**	**796**

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

27 OfS Access and Participation Expenditure

Reaseheath College has an agreed Access and Participation plan with the Office for Students (OfS), a copy of the plan can be obtained via the College website www.reaseheath.ac.uk. During 2023/24, Reaseheath College spent the following in relation to this plan:

	2024 £'000	2023 £'000
Access Investment	104	99
Financial Support to Students	80	133
Disability Support	95	112
Reasearch and Evaluation	52	51
Total Expenditure	**331**	**395**

Included within the above costs for 2024 were £57k (2023; £83k) (in relation to staff time, this cost is included within staff costs (Note 7)