



Bradford College

Annual Report and Financial Statements

For the year Ended 31 July 2024

BRADFORD COLLEGE

Key Management Personnel

Key management personnel, defined as members of the College's Executive Management Team, were represented by the following in 2023/24:

Mr Chris Webb	Chief Executive Officer; Accounting Officer	
Ms Sarah Applewhite	Vice Principal: Quality, Teaching & Experience	
Dr Sarah Cooper	Director of People Services	
Mr Marc Gilham	Chief Information Officer	Left November 2024
Mr Asa Gordon	Vice Principal: Curriculum	Left October 2024
Ms Alina Khan	Vice Principal: EDI & Student Experience	
Mr Chris Malish	Vice Principal: Finance and Corporate Services	
Mr Peter Darwen	Interim Finance Director	Joined November 2024
Ms Sarah Towan	Vice Principal: Recruitment and Communications	From August 2023
Mr Adrian Hutchinson	Assistant Principal	From October 2023
Mrs Victoria Chainey	Assistant Principal	Joined October 2023; left July 2024
Ms Jessica Cranmer-Bills	Assistant Principal	Joined June 2024
Ms Elizabeth Leek	Senior Executive Advisor	Joined November 2023

Board of Governors

Allison Booth is the Clerk to the Corporation. A full list of Governors is given on page 19-20 of these financial statements.

Professional Advisers

Financial Statements and Regularity

Auditors:

RSM UK Audit LLP
Two Humber Quays
Wellington Street West
Hull HU1 2BN

Internal Auditors:

TIAA Ltd
Artillery House
Fort Fareham
Newgate Lane
Fareham PO14 1AH

Bankers:

Lloyds Bank
Ground Floor Lovell Park
1 Lovell Park Road
Leeds LS7 1DZ

Solicitors:

Eversheds
Bridgewater Place
Leeds LS11 5DR

BRADFORD COLLEGE

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BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES

1. The Corporation present their report and the audited financial statements for the year ended 31 July 2024.

Legal status

2. The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting the then Bradford & Ilkley Community College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.
3. On 1 September 1999, with consent from the Secretary of State, the name of the Corporation was changed to Bradford College.
4. On 29 November 2022, the Office for National Statistics ('ONS') announced that Further Education colleges, sixth-form colleges and designated institutions in England were reclassified to the central government sector. This means that the College must now meet the requirements in HM Treasury's document, 'Managing Public Money' ("MPM"), and other related obligations as set out in the "Dear Accounting Officer" letter of 29 November 2022 and subsequent ESFA reclassification bite size guides.

The College must ensure that its internal controls cover this expanded regularity framework, and that it has updated its existing policies, procedures and scheme of delegation in light of the new requirements, and which were approved by the Corporation in July 2023.

5. On 11 September 2024 the government announced that ESFA's functions would be brought into the Department for Education.

Mission

6. The College is passionate about students, the experience they have, the support that can be provided, the opportunities that the College can generate and the value that we can add to their time at the College, thereby the College's mission is "Working together to transform lives".

Public Benefit

7. Partnership working goes from strength to strength as we continue to engage with community organisations and stakeholders to be the community college for our district.
8. The College is an exempt charity under Part 3 of the Charities Act 2011 and its principal regulator is the Secretary of State for Education. The College Governors, who are trustees of the charity, are disclosed on pages 19 and 20 of these financial statements. They are aware of their responsibilities as charity trustees to act for the public benefit in all their decision-making.
9. In setting and reviewing the College's strategic objectives, Governors had due regard for the Charity Commission's guidance on public benefit and, in particular, its supplementary guidance on the advancement of education.
10. The College is committed to providing high-quality education and to increasing educational opportunities among all the communities it serves. It is also committed to increasing the economic prospects and social mobility of Bradford and the surrounding areas. Substantial public benefit is provided through the wide range of activities it undertakes, from equipping individuals with basic life skills such as literacy and numeracy; to producing graduates.
11. As its core business, the College operates a general further education college, delivering a range of courses and study programmes, including apprenticeships at intermediate and advanced levels, supporting individuals to achieve their learning goals and complete their studies with skills equipping them for higher level courses or for the national workforce. It supports a large number of those individuals to undertake practical work experience directly linked to their study programmes, to help develop their employability skills. The College works collaboratively with statutory agencies, educational partners and private enterprises, including the Leeds City Region and Combined Authority in order to contribute to the creation of a skilled workforce.
12. The College partners with numerous local charities, social enterprises and community organisations, encouraging students to become involved in volunteering to support their personal development, augmenting the employability skills of those concerned and nurturing their sense of citizenship and social responsibility.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (continued)

13. Examples of the College's engagement in activities that are of benefit to the wider public in 2023/24 are:

- The College has established a collaborative working relationship with Bradford University to ensure alignment in the respective curriculum offers. In recent years partnerships have been established between curriculum teams in Business, Engineering, Health, Pharmaceutical and Science to ensure pathways to Higher Education are clear, as well as ensuring the T Level and Access curriculum are aligned to provide learners with the opportunity to continue to study higher education in Bradford.
- The Vice Principal for Quality is a member of the Mixed Economy Group that consists of 42 Further Education Colleges that meet to discuss and share good practice and collaborate on the future of higher technical curriculum. This group has specifically looked at the introduction of Higher Technical Qualifications (HTQs) and provided development opportunities for delivery staff to ensure the curriculum is meeting the needs of employers.
- The College, Bradford University and Bradford Council are also the tripartite partners of the Bradford Teaching Hospital partnership that is focused on providing qualifications to support people to access Degrees in Social Work. This relationship has seen over 100 people achieve qualifications in Social Work in the last three years.
- In 2024/25 the College has partnered with Leeds Trinity University to franchise its Teacher Education provision to enable the College to continue offering a range of qualifications linked to roles in Teaching. The College works with schools across Bradford to support placements, with a significant number of graduates taking up teaching roles in schools within the city.
- The Vice Principal for EDI and Student Services works with New College, WY Police, NHS, Fire Services, Broadway Shopping Centre to promote positive behaviours in our communities.
- The College has responded to the increased demand for alternative provision for young people with the expansion of its 14-16 offer to now support in excess of 250 young people per year. With a diverse vocational curriculum offer alongside a core GCSE syllabus, the provision has been highly commended by schools and the local authority for the impact it has on young people.
- The relationship with Bradford Council is critical to the success of the College mission and the last 5 years has seen the relationship prosper to where it is today. The College is a trusted partner of the council, and has addressed education challenges through responsive practices that have positively influenced the residents of Bradford.

"Bradford College shows great leadership on skills. They provide a really good education for many of our young people but also when there is a challenge they step up to the mark to help out. For example, when a local college failed, Bradford College stepped in quickly and worked constructively with us to cater for additional students who had been left in the lurch. The team at Bradford College believe in the talent and potential of our young people and I know that on a recent visit I did with my fellow councillors, we were all very impressed by the breadth of support on offer for them to achieve that potential." – Susan Hinchcliffe, Leader of Bradford Council

- The CEO is a board member of West Yorkshire College Consortium (WYCC) that encompasses 7 Colleges across West Yorkshire, who collaborate on curriculum design, employer engagement and bespoke projects, including Gainshare and Let's Talk Real Skills. The College provided curriculum experts alongside employer contacts to support the development of the Local Skills Improvement Plan (LSIP) and are now a delivery partner with WYCC through the Local Skills Improvement Fund (LSIF) for projects in Construction, Engineering and Health & Social Care as well as being part of the Education partnership looking at the introduction of new technologies into teaching.
- The College governing board has a strong educational influence with governors from Higher Education, Further Education and Secondary Education influencing the direction of the College. The College is supporting local schools with the CEO a Trustee of Exceed Academy, the Vice Principal for Curriculum a governor at Bradford Academy and the Director of People Services a Board Trustee of Rodillian Multi Academy Trust.

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CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (continued)

- The CEO and the Vice Principal for Curriculum are board members of the Bradford Employment & Skills Board (BESB). The BESB includes Principals at Shipley College and Keighley College as well as representatives from Bradford University, the Voluntary & Community sector and Independent Training providers. The formation of a Bradford Employment and Skills Board is a key recommendation made in the District's Workforce Development Plan, "People Skills Prosperity" with a primary focus to oversee and agree the work stream programmes that contribute to the development of the District's Workforce Development Strategy.
- The Vice Principal for Curriculum sits on the board of the Bradford Council led Careers and Technical Education Partnership (CTE) that engages with schools, colleges and independent training providers to develop career-related skills from primary to secondary through to post-secondary education. This is achieved by co-designing and delivering sector-based programmes of learning in partnership with employers to develop learners understanding of the opportunities available to them. Underneath the Board, there are ten sector specific partnerships, chaired by a local employer, with a College Head of Department sitting on each partnership.
- The Vice Principal for Curriculum additionally chairs the board of Skills House, the central focus of careers and employability guidance in Bradford. Skills House is focused on the reducing NEET, alongside providing opportunities for adults in the community to progress through training to employment. This relationship is seeing Bradford College work with other providers and key stakeholders to develop progression programmes that lead to sustained employment.
- The Vice Principal for Recruitment & Communications is chair of the Youth Employment Partnership Group which has a specific remit for youth engagement and breaking down barriers to accessing education and support services. Collectively the Youth Employment Partnership, The Careers Technical Education Partnership & the Skills House Advisory Board report into the Bradford Employment & Skills Board.
- As a College we are essential to the delivery of the skills agenda in Bradford, influencing strategy through the skills and expertise of the senior leadership and delivering projects through our Heads of Department in partnership with employers and the sector specific CTE groups.
- The College is a contracted provider for West Yorkshire Combined Authority (WYCA) for the delivery of skills and qualifications for adults. The College has worked with policy advisors at WYCA to ensure the curriculum offered is meeting the needs of Bradford residents and has implemented programmes at L2 and L3 linked to local and regional skills shortages. The College is supportive of the Mayoral pledges set by Tracy Brabin, with the College praised at a recent visit for its work in delivering on the key educational pledges of supporting the development and creation of Create 1,000 well paid, skilled jobs for young people, prioritising skills and training to ensure everyone in West Yorkshire has the skills they need to secure work and to support plans around a Creative New Deal to ensure our creative industries are part of the broader recovery strategy.

"You can see the ambition of the College, which is also translated to the students, with the aim to transform their lives and get them into great careers for a life where they can flourish." – Tracy Brabin, Mayor of West Yorkshire

- The College has been working with the Head of Engagement and Skills to develop bespoke programmes to provide opportunities for young people to access careers in film production as well as aligning the College's performance schedule with the plans for Bradford. The College was also approached to hold a Roundtable event with the Institute for Apprenticeships & Technical Education (IFATE), WYCA and local employers including Channel 4 and Screen West Yorkshire to discuss key issues including challenges and opportunities for the public, education and training sector to support skills development and growth within the creative & cultural industries.
- Under the Construction LSIF project, the College has engaged Leeds College of Building, Luminate Group, Kirklees College and Stockport College to develop programmes for renewable and sustainable energy, solar PV, battery storage and EV charging that will compliment study programmes learners as well as upskilling employees in industry. The curriculum launched in September 2024 with pathways in Sustainable and Renewable Energy and Green Skills.
- In the Manufacturing & Engineering LSIF project the College has engaged Kirklees College, Luminate Collage and consultants from the Local Manufacturing Advisory Service to develop a curriculum offer around Additive Manufacturing. Collaboratively we have engaged with local employers, including Produmax and Teconnex to

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (continued)

support employer engagement outputs and inform curriculum development, including additional learning resources in 'Advanced Manufacturing Scenarios in Virtual Reality' to address Digital Innovation demands within this sector.

- Our Pharmacy provision is recognised nationally by apprentices and employers, with the relationship with the General Pharmaceutical Council (GPhC), seeing our industry experts support the development of the new IET standards for Pharmacy Technicians and Pharmacy Support staff.
- The College has become a key delivery provider of WYCA, particularly within the Motor Vehicle industry. Skills Connect Courses have enabled industry-trained employees to enhance their skills within their sector, with over 100 individuals benefiting from Hybrid & Electric Vehicle (EV) training at Level 3. Collaborating with Block Automotive to develop the training and equipment needed, the College are ensuring that automotive professionals in Bradford understand the unique features, maintenance and repair requirements of these vehicles. To date a number of SMEs, as well as Bradford Council, Wakefield Council, the RAC and AA have undertaken the training.
- Community is at the heart of the College strategy, with the curriculum offer developed to ensure our offer is inclusive and available for all. The College is currently delivering from 43 community locations, engaging with the voluntary community sector to ensure our core offer of literacy, numeracy, digital and employability skills provide opportunities for adults to engage and progress.
- The College has worked with Jobcentre Plus (JCP), WYCA and West Yorkshire Police Force to create a bespoke programme to support unemployed adults to access roles in Police call centres.
- Bradford College's commitment to sustainability has been further evidenced in the last year after being crowned as winner of Planet Earth Games. With over 3,000 good deeds for the planet undertaken since January, Bradford College topped the FE colleges national leader board, with student led activities including a climate march by the Students' Union and a large-scale community clean-up by the ESOL (English for Speakers of Other Languages) department.
- Sports facilities at Trinity Green campus includes a double sports hall, dance studio, 3G outdoor pitch and a gym. These facilities are used by local organisations, including Netball England, Bradford Bulls, Bradford City, Lowmoor under 14s, Farsley Celtic Juniors to name a few.
- The Trinity Green facilities are home to the Bradford disability sports, which take place every Friday evenings and Sunday mornings over the course of the year.
- In collaboration with the CTE team at Bradford Council, Bradford College led on and hosted the Girls in Sports event, which saw 100 year 9 female students from several local schools participating in sporting activities.
- The College has partnered with Bradford Bulls over a series of joint community activities throughout the year, which includes promoting inclusive sports i.e. wheelchair rugby, where students have volunteered to improve community facilities and gain work experience. This relationship is a formal education partnership.
- The Grove Restaurant is a student run enterprise that offers students an opportunity to develop their culinary skills by catering for internal and external customers to Bradford College. A diverse menu has been designed to attract wider public to enjoy this facility.
- The Signature Salon, which delivers the Beauty, Hair and Barbering curriculum, has invested in an advanced IPL (laser hair reduction) machine which caters for all skin tones and is a service the local community can use at subsidized rates.
- The Grove restaurant hosted the 2nd Annual Big Iftar event during Ramadan 2023 in partnership with MyLahore welcoming community stakeholders to participate in a joint evening meal.
- The catering team ran the Junior Chef programme during February half-term welcoming 9 future chefs to develop their culinary skills.
- Level 3 Extended Diploma in Music students performed at Northwood House in Keighley with a group of patients. The majority of patients suffered with dementia and the music evoked memories for some of the patients.
- Art students created art work for Bradford PRIDE which was exhibited in The Broadway Shopping Centre.
- Students from the School of Art worked together with The Light cinema in Leeds to create a platform to showcase the work that they do within a community-based cinema setting, using the films as the inspiration for the month, such as Wonka Project, The Hunger Games, Christmas Set Project, The Sand Worm Project and OneLove.

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CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (continued)

- Level 3 Learners carried out Motor Vehicle winter checks on vehicles for the public at locations such as Toolstation and Halfords.
- The College successfully trained over 43 local mechanics to be able to work safely on Electric and Hybrid vehicles which can be dangerous to isolate, especially when they have been accident.
- The Personal Development and Students' Union team continues to host the West Yorkshire Police Youth Independent Advisory Group meeting. The IAG group (for young people aged between 14-20) meets with West Yorkshire Police to discuss a number of different issues that they are currently facing in their local area or educational institution.
- The Students Union worked in partnership with Create Strength Group (Bradford Council) to talk about the negative impacts of students using nitrous oxide and discuss how the local authority can tackle the use of illegal substances.
- The College has embraced the challenges faced by women in the community. In partnership with WOW Girls Festival and the Students' Union, 50 female students participated in the unique one to one Women and Girls Mentoring event. This coincided with International Women's day and the students had the opportunity to meet amazing women from a variety of different industries who shared their life journeys and experiences.
- Students from across the College also took part in a consultation aimed at improving the safety of women and girls within the community, this was aimed at supporting the work of The Mayor of West Yorkshire's Safety of Women and Girls Strategy.
- Level 2 and Level 3 UPS students engaged with West Yorkshire Police to deliver a traffic project to help reduce anti-social driving in and around the college and local community. This acted as a traffic calming response to increased traffic concerns
- Bradford District and Craven Health & Care Partnership and Bradford College are collaborating to host a "Take the Mic" night. The evening looks to promote a safe space for young people (16+) to express themselves and reinforce that it's okay to speak about how you feel. The night looks to promote a safe space for young people (16+) to express themselves and raise mental health awareness. There will be different artists, singing, rapping, and reading poetry over the evening. There will also be a number of mental health information stalls and opportunities for young people
- The Students' Union also organised a winter collection, which provided the opportunity for staff and students to donate clothes, food, and non-perishable items which were then donated to Bradford Central Foodbank.

Implementation of Strategic Plan

14. The strategic goals and objectives of the College's corporate strategy in the pursuit of the College's educational mission of working together to transform lives, are laid out below. At the start of each academic and financial year, the Corporation approves the strategic priorities, key improvement actions and performance targets to be achieved by the end of that year. Performance targets are set for each of the key performance indicators that measure the success of achieving the strategic objectives. This allows for monitoring by the Corporation during the year to allow for prompt intervention if there is any major deviation from achieving the strategic objectives and goals. In this way, the Corporation is overseeing the execution of the College's corporate strategy on an annual basis. The College aims to:
 1. *To become a truly inclusive college*
 2. *To deliver a curriculum that meets the needs of students, employers and our community*
 3. *To deliver an outstanding student experience*
 4. *To become an employer of choice*
 5. *To maintain a sustainable college*

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CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

6. *To grow the college's income through student recruitment*
7. *To empower education through digital transformation*
15. In pursuing the strategic goals and objective, the College do so in accordance with its set of values, which guide the way things are done:
 - a. *Respectful*: supportive, empathetic, mindful.
 - b. *Inclusive*: belonging, valued, understanding.
 - c. *Trust*: credible, accountable, honest.
 - d. *Inspirational & Aspirational*: passion, ambition, belief, confidence.
16. In 2023/24, strategically, the College was committed to continue its strengthening of its academic and financial sustainability through continuing with a programme of change in the face of ongoing challenges in both the FE and HE sectors in England.

Key Performance Indicators

17. The College monitors its performance in delivering the strategic objectives of the institution using a set of key performance indicators. The indicators align with the objectives set by the corporation, namely
 - To become a truly inclusive college
 - To deliver a curriculum that meets the needs of students, employers and our community
 - To deliver an outstanding student experience
 - To become an employer of choice
 - To maintain a sustainable college
 - To grow the college's income through student recruitment
 - To empower education through digital transformation

For 2023/24 a sample of the actual performance against target is shown below:

	Target	Actual
Staff costs as % of income*	63.7%	63.5%
Cash days in hand	91 days	110 days
EBITDA % Income**	7.1%	6.9%

* Includes restructuring costs, excludes release of capital grants

** Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), excludes FRS 102 pension charges and capital grants received

Staff engagement	90.0%	87.9%
Adult students' achievement	92.0%	84.5%
16-18 student's achievement	88.0%	85.3%
Level 1 Study Programme	80.0%	81.0%
Level 2 Study Programme	85.0%	81.0%
Level 3 Study Programme	90.0%	84.0%
Adult student attendance	93.0%	84.0%

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CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

FINANCIAL POSITION

Financial results

18. The College generated a surplus before other gains and losses in the year of £5.5m, including £3.5m of capital grants awarded by Funding Bodies (2022/23: surplus of £27.4m).
19. The total comprehensive income in 2023/24 is stated after accounting for the following items:
 - a. Actuarial loss in respect of defined benefit pensions schemes, which relates to the West Yorkshire Pension Fund (WYPF, a Local Government Pension Scheme), of £1.2m (2022/23: actuarial gain of £4.6m);
 - b. Restructuring costs of £0.3m (2022/23: £0.4m);
 - c. Additional employer service credit for the defined benefit pension scheme with the WYPF of £0.3m as per FRS 102 (28) (2022/23: £1.0m charge);
 - d. Net interest receivable on the defined pension liability with the WYPF of £0.9m as per FRS 102 (28) (2022/23: £0.1m net interest payable);
 - e. Interest and other finance costs, excluding the pension finance cost as per the above item, of £0.9m (2022/23: £0.8m);
 - f. Depreciation charge of £3.7m (2022/23: £3.1m).
20. Capital investment - the College invested £12.5m in fixed asset additions during the year 2023/24. £1.9m of the fixed asset additions were self-funded.
21. Reserves – the College reserves amounted to £94.8m and it held £16.5m in cash and bank balances at the year end. £6.4m of cash and bank balances at the year-end have been received from ESFA in advance of spend on capital projects.
22. The College reserves are reviewed in line with Charity Commission guidance, through forecasting and quarterly analysis of actuals. Performance is measured against key indicators for EBITDA as a percentage of income, staff costs as a percentage of income, borrowing as a percentage of income, adjusted current ratio and bank covenant compliance. Where a key performance measure is highlighted as breach or potential breach of the minimum levels set, corrective action is taken to ensure the College reserves are not compromised. Aspirational levels are set for each of the key performance measures. Planned income is monitored through the annual business planning cycle with quarterly reviews. Cash reserves are subject to monthly reconciliation and review.
23. The College reserves remain at a satisfactory level. Income, excluding capital grant income, has increased in 2023/24 and reflects the higher student numbers in 2022/23, though 16-18 student numbers did grow in 2023/24. Measures are in place to protect the College reserves and cash and bank balances. Core income levels have remained relatively stable during the academic year.
24. The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24 these funding bodies provided 78% of the College's total income (excluding capital grants).

FUTURE PROSPECTS

25. **Financial Plan** – the Corporation approved a three-year financial plan in July 2024, which sets objectives for the period to 2027 as part of delivering a sustainable college.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

26. Treasury policies and objectives - the College has a Treasury Management Policy in place, applicable to both the investments and borrowings of the College. The policy recognises the difficulties of striving for effective risk management and controls whilst at the same time pursuing value for money. The aim is to effectively manage cash flows and banking arrangements to meet the College's needs.

The Treasury Management Policy complies with MPM, and other related obligations as set out in the "Dear Accounting Officer" letter of 29 November 2022 and subsequent ESFA reclassification bite size guides.

27. Applications on Further Education and Higher Education programmes may prove to be challenging this coming year. However, the College continues to anticipate and pursue new opportunities where these fit in with the corporate strategy.

28. **Cash flows and liquidity** - Cash generated from Operating activities was £15.9m (2022/23: £10.3m). The net overall cash position increased by £2.0m (2022/23: increase of £5.2m).

29. **Reserve Policy - the College wishes to build its reserves in order to:**

- a. Maintain financial solvency and continually improve financial sustainability;
- b. Strengthen the ESFA financial health grading;
- c. Ensure full compliance with bank loan covenants;
- d. Fully cover pension fund liabilities.

At the year end the College had total reserves of £94.8m. It is the College's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

30. **Going concern** - The College continued to work closely with the ESFA and the Lloyds Banking Group, during the 2023/24 financial year.

The College annually produces a three-year financial plan that is approved by the Corporation and submitted to the ESFA. The plan approved in July 2024, includes a budget and cashflow position to July 2026 which demonstrates robust cash management and strong and stable performance, with EBITDA above the FE Commissioner's benchmark. This will provide future financial health scores of Good, all which has been shared with the bank. As part of this three-year financial plan, monthly forecasts and cashflows to 31 July 2026 were prepared and assessed for covenant compliance for this period, with a high-level annual budget prepared for 2027.

31. The College is aware of the wider economic pressures of inflation and more specifically increasing energy costs, which have been exacerbated by the conflicts in Ukraine and the Middle East. In January 2022 a three-year fixed rate contract for gas and electricity was secured. This still resulted in a significant increase in costs but insulated the College from subsequent increases and price fluctuations. With regards to wider inflationary pressure the College monitors its costs robustly through the quarterly performance reviews, where if needed actions are taken to address deviations from budget and the impact is reported to the Governors for approval.

There are other economic and business challenges following the election of the Labour Government in July 2024. The government awarded and funded a payrise of 5.5% for school teachers but this was not extended to the FE sector. This will make it more difficult to retain and attract teachers to the FE sector. In addition, the government is attempting to reduce the deficit in public finances by raising employers NI.

The College calculates and reports covenants to the bank and the bank continues to be supportive of the College. The College breached its projected cashflow covenant in January and April 2024. A waiver was issued by the bank for all financial covenant breaches for the relevant periods ending 31 October 2023 to 30 April 2024. The College and the bank reset the loan covenants from 31 July 2024 and subsequent periods, and reduced the total number of covenants from six to four.

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CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

There are forecast breaches of the two cashflow covenants in April 2025 and April 2026 due to the large amount of college match funding required on the major building projects. We will request a waiver letter for the cashflow covenants breaches from the bank and the related ESFA consent, which are likely to be granted.

The College has cash balances of circa. £16.5m at 31 July 2024, which gives rise to confidence going forward. £6.4m of cash and bank balances at the year-end have been received from ESFA in advance of spend on capital projects.

32. A balanced budget has been set through the robust and detailed business planning rounds, giving control and visibility with a view to meeting the College strategic aim to deliver a sustainable College.

Our vision is to create a better future for all through education and training by working together to transform lives. The College aims to deliver an outstanding student experience in truly inclusive environment; meeting student, employers and the community needs through the curriculum; building on its reputation and influence and becoming an employer of choice, whilst improving environmental and financial sustainability.

The College has ended the year with a healthy level of cash reserves, a position that will be regularly reviewed during the 2024/25 academic year. The College believes that through careful monitoring of cash levels and planning of the spend, the future sustainability of a financial position of the College will be maintained. The College has prepared cashflow projections through to July 2026 that demonstrate the College can meet its working capital and debt obligations as they fall due.

The College has a good proven record of a robust budget planning and monitoring system, which is embedded in the financial management enabling the College to address reductions in income through strong cost control, this along with good current cash levels gives assurance that the College continues to be a going concern.

The College does need support from the bank in respect of forecast bank loan covenant breaches and has a reasonable expectation of receiving although this does represent the existence of a material uncertainty which may cast significant doubt over the College's ability to continue as a going concern.

The Governors are satisfied that the College remains a going concern and therefore adopt the going concern basis of accounting.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

FE Quality

33. The College's Further Education self-assessment review, against the Education Inspection Framework gained an overall effectiveness judgement of "Outstanding", with significant improvements in 16-18 and apprenticeship achievement.
34. After the recent Ofsted inspection, The College was awarded a Grade 2, Good, with one Outstanding feature: a Grade 1 for Behaviours & Attitudes.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

RESOURCES

35. The College has £94.8m of net assets (including a defined pension liability of £nil).

Fixed assets include properties with a balance sheet value of £78.8m. In line with DfE and ESFA guidance, College properties have been assessed for RAAC, and none has been found.

36. The 5% rise in Bank of England policy rates since December 2021, and similar increases in bond yield has led to the defined benefit pension scheme becoming fully funded. While rising yields has played the greatest part in this dramatic shift, falling longevity and an older population have also contributed.

Looking ahead, there are risks which may adversely affect the valuation of the defined benefit pension scheme, namely: credit risk, collateral risk, longevity risk and mitigating climate transition risk.

37. The College employs 1,031 staff (expressed as numbers by head count) of whom 699 are teaching staff.
38. The College has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and developing external relationships.
39. The College has well developed strategies for managing risk and seeks to embed risk management in all its activities. The College has a robust planning and monitoring system in place that tracks both quality and finances and ensures where there is deviation from plans, actions are taken to mitigate any negative consequences. The strategic risk implications are considered at all committee meetings, with each agenda item being referenced to the relevant risk. The College continues to refine and improve systems of internal control, including financial, operational and risk management which are designed to protect the College's assets and reputation. An example of risk mitigation through the year is the monitoring of departmental performance and finances done as part of a regular quarterly performance review process.

STRATEGIC RISKS AND UNCERTAINTIES

40. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Corporate Governance.
41. The reclassification of Further Education Colleges to Public Sector in 2022 had immediate implications for future borrowing and refinancing, but this does not impact upon the College in the medium term. The payment of allocated funds has been smoothed out to address the low levels of cash that colleges usually hold in March and April of each year. In addition, the College now references the Managing Public Money document (MPM), though the main document to refer to is the new College Financial Handbook, which came into effect from 1 August 2024. The Executive are in regular dialogue with the ESFA, Bank and FE commissioner's team to keep the Governors abreast of developments and respond to guidance as it is released.
42. A strategic risk register is maintained that is reviewed at each meeting of the Audit Committee and the relevant other committees monitor the risks delegated to them at each of their meetings. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College, the sources of assurance and the actions being taken to reduce and mitigate the risks. Strategic and operational risks are scored with a consistent scoring system as per the risk management policy.
43. Outlined below is a description of the principal risks affecting the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

Outstanding student experience

44. The College needs to ensure it continually improves the quality of teaching, learning and assessment and there is a risk that it may not do this. The quality of delivery to students needs to be of sufficient quality to produce acceptable progression and achievement rates.
45. In addition, a failure to ensure that achievement rates and value-added increases are above national averages may trigger an inspection. This would have a detrimental impact upon reputation and recruitment.

Curriculum Offer

46. The College must ensure that the curriculum is relevant, innovative, high-quality, and adds value, with careful planning and continuous improvement to meet the needs of learners and employers. If this is not achieved and learner needs are not met, there is a risk that learner numbers will decline as they seek other providers of relevant curriculum.

Staff

47. The College may fail to retain senior leaders required to continue to deliver clear strategy and leadership.
48. It could also fail to recruit, retain and engage high-performing employees. The College will mitigate this by ensuring it offers a good but challenging working environment that also stimulates staff in parallel to market level with a strategic goal of becoming an employer of choice.

Achieving recruitment targets

49. The College risks failing to meet its recruitment targets and thus missing its income total. The College would be required to address its cost base as a result of predicted deficits and face a position where financial obligations cannot be met.

Financial Sustainability

50. The College formulated a strategic sustainable financial plan in conjunction with the ESFA in light of the financial notice to improve issued in 2017/18, (these were lifted in September 2022) and to safeguard the College against the ongoing financial challenges facing the FE sector and HE sector. There is a risk that there is an inability to maintain financial sustainability by failure to generate operating surpluses, control costs and manage cash flow. The College annually formulates a three-year financial plan, which is annually approved by the Governors that demonstrates financial sustainability and a plan to continually deliver a financial health score of 'Good'. The College will continue to seek to identify and realise income growth and cost saving opportunities to deliver value-for-money from the use of its resources in delivering the corporate strategy. The prime focus will continue to be the improvement in student achievement and numbers enrolled.
51. Teachers Pensions' increased their employer contribution rate by 5% to 28.68% with effect from April 2024 to April 2028. The DoE provided additional funding to cover the increase in the employer contribution rate for directly funded scheme employers through to July 2025. Subsequent financial years TPS funding grant has not been confirmed at this stage.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

Streamlined Energy and Carbon Reporting

52. The College's annual greenhouse gas emissions and energy consumption are as follows:

	2024	2023
Energy consumption used to calculate emissions (kWh)	4,518,565	4,750,754
<i>Scope 1 emissions (in tonnes of CO2 equivalent):</i>		
Gas consumption	457.24	511.19
Owned transport -	2.73	1.16
Total scope	459.97	512.35
<i>Scope 2 emissions (in tonnes of CO2 equivalent):</i>		
Purchased electricity -	473.70	459.42
<i>Scope 3 emissions (in tonnes of CO2 equivalent):</i>		
Business travel in employee-owned or rental vehicles	13.25	11.47
Total gross emissions (in tonnes of CO2 equivalent):	946.92	983.24
Intensity ratio: Tonnes of CO2 equivalent per pupil	0.075	0.085

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in tonnes of CO2e per pupil, the recommended ratio for the sector.

Measures to improve energy efficiency

53. The College has undertaken a full energy audit and heat decarbonisation plan of the estate in 2022, and we are working towards decarbonising Bradford College. The College has renewed its energy contracts for a further three years from 2025. Additional smart meters will be introduced in April 2025 in the main campus building to allow increased monitoring of energy usage. We are scrutinising data from the building management systems to understand and monitor energy usage across our sites and identify where changes can be made to improve energy efficiency."

Work continues to reduce the overall size of the estate. One building was sold in August 2022 and the sale of two further buildings is expected in 2025. The College has completed the refurbishment of Garden Mills on our central campus which has carbon-friendly features such as new energy efficient windows, modern heating controls and fabric improvements to increase thermal efficiencies. Bringing this building into use also reduces use of remote sites and travel. Another new building being constructed on the central campus will also have similar carbon efficiencies.

Staff are encouraged to use electronic communication rather than the need to travel between sites and we are using electric vehicles for College use where possible. We are continuing to invest in LED fittings and are planning to upgrade all lighting over the next 2 years subject to funding.

Contracts have been signed to join the Bradford District Heating Network, and work is due to commence in early 2025, with works to be completed by 2026. Existing gas fired boilers at the main campus building and the Advanced Technology Centre will be discontinued once the College is connected to the Bradford Energy Network.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

STAKEHOLDER RELATIONSHIPS

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

- Students, both current and future, and Alumni
- Education funding bodies
- FE Commissioner
- Staff and their trade unions
- Local employers (with specific links) including its suppliers
- Local authorities, government offices and local enterprise partnerships
- Partner schools and universities as well as other Colleges
- Professional organisations in the sectors it works in

Equality and diversity

55. Bradford College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and values positively, differences in race, gender, sexual orientation, ability, religion or belief and age. It strives vigorously to remove conditions which place people at a disadvantage and actively combats bigotry.

This policy is resourced, implemented and monitored on a planned basis. The College's Equality, Diversity and Inclusion Policy, which includes Race Relations and Transgender, is published on the College's internet site. The College also developed a new strategic objective of becoming a truly inclusive College.

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

57. The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has achieved accreditation to the Committed to Equality (C2E) standard at the gold (highest) level. All staff attend ED&I training as part of their induction when they join the College, followed by regular refresher training through our CPD programme. In addition to this, to demonstrate our commitment to staff wellbeing, we have appointed a Wellbeing Lead to support staff with their mental, financial, physical and social health and wellbeing.

58. The College has committed to the principles and objectives of the Positive about Disabled standard. It considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to facilitate the continuance of their employment with the College. The College's policy is to provide training, career development and opportunities for promotion for employees with disabilities that are, as far as possible, identical to those for non-disabled employees.

59. The College has committed to applying positive action recruitment approaches to all areas of staff underrepresentation throughout the organization. Whereby, similar to the Positive about Disabled standard, the College considers all applications for employment from identified underrepresented groups, and guarantees an interview to any applicant in this category who meets the essential criteria for the post. In the year 2023/24, this was applied to female applicants in a number of individual departments. This principle will be applied to applicants under the age of 30 in selected areas for 2024/25.

60. The College has also committed to ensuring that the likelihood of staff from underrepresented groups accessing non-mandatory CPD is increased.

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

Disability Statement

61. The College seeks to achieve the objectives set down in the Equality Act 2010:
- i. as part of the redevelopment of the buildings lifts and ramps have been installed;
 - ii. there is a stock of specialist equipment, such as lighting for audio facilities, a range of assistive technologies, which the College can make available for use;
 - iii. both FE and HE have an admissions policy which details the procedure for both admissions and appeals against a decision not to offer a place to any applicant; there is a College-wide Learning Support Policy and a Disclosure and Confidentiality Policy for Learners with Disabilities and/or Learning Difficulties that sets out the processes we follow;
 - iv. the College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities to build a learning support team of academics;
 - v. there are a number of learning support assistants who provide a variety of support for learning;
 - vi. there is a programme of staff development to ensure provision of appropriate student support specialist training is provided for staff supporting learners specific to needs;
 - vii. specialist programmes are described in programme guides, achievements and destinations are recorded and published in the standard College format;
 - viii. mental health and wellbeing, counselling and welfare services are provided. Support services for students and staff are described on the website, during induction and via various publications in College;
 - ix. marketing materials, prospectuses and course materials for learners are available in a range of alternative formats on requests, such as braille, large print or in British sign language.

Trade union facility time

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

Numbers of employees in the relevant year	1,031
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Relevant Union Officials

Numbers of employees who were relevant union officials during the relevant period	6
Percentage of time	17%
FTE employee number	1.1
Total cost of facility time	£65k
Total pay bill	£36.3m
Percentage of total bill spent on facility time	0.18%

Gender Pay Gap

63. A link to the Gender Pay Gap data for the College can be found on the following website:

<https://gender-pay-gap.service.gov.uk/employers/173>

BRADFORD COLLEGE

CORPORATION REPORT

NATURE, OBJECTIVES AND STRATEGIES (Continued)

Disclosure of information to auditors

64. The Corporation 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 12 December 2024 and signed on its behalf by



Mr John Williams

Chair

BRADFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Statement of Corporate Governance

Purpose

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

The Corporation recognises that, as a body entrusted with both public and private funds, it has a duty to observe the highest standards of corporate governance at all times. It is committed to exhibiting best practice in all aspects of corporate governance, conducting its business in accordance with:

- (i) the seven principles identified by the Committee on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- (ii) policies, procedures and approval processes have been updated to ensure compliance with the new requirements following reclassification of the College to the central government sector on 29 November 2022. In particular, the College has established systems and processes to identify and handle any transactions for which DfE approval is now required.

The Financial Regulations were updated in July 2024 to reflect the College Financial Handbook, which is effective from August 2024.

- (iii) in full accordance with the guidance to Colleges from the Association of Colleges in *The Code of Good Governance for English Colleges* ("the Code").

Compliance with the Code

In the opinion of the Governors, the College complies with all provisions of The Code of Good Governance for English Colleges, and it has complied throughout the year ended 31 July 2024. This opinion is based on an internal review of compliance with the Code carried out by the Search and Governance Committee and reported to the board on 19 October 2023. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges. The new AoC Code of Good Governance was published in September 2023 and takes into account the policy changes that have recently affected FE institutions such as the Skills and Post-16 Education Act 2022 and the ONS reclassification of colleges in November 2022. The College remained compliant with the previous code until July 2024. The Corporation approved the adoption of the new AoC Code of Good Governance in May 2024.

As part of the review by the Search and Governance Committee there were no suggested changes to the Instrument & Articles or the Governors Code of Conduct. There were 2 changes to the Standing Orders:

1. Standing Order 16.2 is updated to reflect a change in title and removal of another title following a restructure in 2022.
2. Standing Order 18.1 is updated to include the Capital Special Interests Group under Committees and Working Groups.

An External Board Review should be carried out every three years in line with the requirements set out in the conditions of funding. The first review was carried out in 2021. A recent external board review was undertaken by Wendy Stanger from the AoC in May 2024 and was concluded in July 2024.

The External Board Review drew a number of conclusions about the strengths and areas for development of the College's Governance. The External Board Review and Action Tracker can be found on the College's website.

Corporation Membership

During the year, the individuals named in the table below served as Governors on the Corporation:

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Governor	Date of initial appointment	Most recent re-appointment	Length of current term of office	Termination date (if applicable)	Type of Governor	Committees served on in	Attendance 2023-24
Mr P Birtles	18.10.18	07.10.22	8 years	n/a	Independent	Corporation (Vice Chair); Remuneration Committee (Chair); Search and Governance Committee; SPH & Clerk Appointment Committee;	100%
Mr D Fearnley	01.09.21		4 years	n/a	Independent	Finance & General Purposes Committee	66%
Ms L Ho	01.07.19	01.07.23	8 years	n/a	Independent	Finance & General Purposes Committee; Remuneration Committee	93%
Ms A Kendal	1910.17	21.10.21	4 years	Resigned 12.09.23	Independent	Audit Committee; SPH & Clerk Appointment Committee;	n/a
Mr N B Khokhar	01.07.19	01.07.23	8 years	n/a	Independent	Quality & Standards Committee; Search & Governance Committee; Remuneration Committee	70%
Miss T Lythgow	03.02.21		4 years		Staff	Quality & Standards Committee	78%
Mr E Osei Boateng	17.11.21		4 years		Independent	Audit Committee	78%
Mr C Pazvakavam -bwa	03.03.21		4 years	Resigned 01.05.24	Independent	Finance & General Purposes Committee	37%
Mr Umar Rafique	31.03.22		4 years		Staff	Quality & Standards Committee	76%
Dr F Thompson	03.03.21		4 years		Independent	Quality & Standards Committee	90%

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Mr C Webb	01.03.19		Ex Officio		Chief Executive Officer	Finance & General Purposes Committee; Quality & Standards Committee; Search & Governance Committee; SPH & Clerk Appointment Committee	89%
Mr J Williams	01.09.21		4 years		Independent	Corporation (Chair); Remuneration Committee; Finance & General Purposes Committee; Search & Governance Committee (Chair); SPH & Clerk Appointment Committee	91%
Mr R Woods	12. 12.19	13.12.23	4 years		Independent	Quality & Standards Committee	90%
Ms B Barrett	01.09.22		4 years		Independent	Finance & General Purposes Committee	87%
Mrs S West	01.07.23		4 years		Independent	Audit Committee; Search & Governance Committee	93%
Ms L Leith	05.06.23		4 years		Independent	Quality & Standards Committee	67%
Mrs B Mangan	01.02.24		4 years		Independent	Audit Committee	100%
Mr David Merrett	01.07.24		4 years		Independent	Finance & General Purposes Committee	100%
Mr Tony Bullock	01.07.24		4 years		Independent	Audit Committee	100%
Mr Gavin Hamilton	01.07.24		4 years		Independent	Audit Committee	100%
Allison Booth acted as Clerk to the Corporation							

BRADFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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, safeguarding and personnel-related matters such as health and safety and environmental issues. The Corporation meets approx. five times a year.

The Corporation conducts its business through a number of committees. Each having its own terms of reference approved by the Corporation. The current standing committees are Audit; Finance and General Purposes; Quality and Standards; Remuneration and Search and Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at <https://www.bradfordcollege.ac.uk/about-us/governance/corporation-and-committee-meeting-minutes/> or can be obtained from the Clerk to the Corporation at the College's registered address.

The Clerk to the Corporation maintains a register of Governors' financial and personal interests. The register is also available for inspection from the Clerk to the Corporation.

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

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

The Corporation has a strong and independent non-executive element; that group are completely independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. No individual or group dominates the Corporation's decision-making process. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Appointments to the Corporation

All Governor appointments are made by the full Corporation, as required by the Instrument of Government. The Corporation's Search Committee, is responsible for the selection and nomination of new Independent Governors for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years, renewable for a maximum of two terms, except in exceptional circumstances or where undertaking a new and more senior role for example, as Chair of a Committee, or as Chair or Vice-Chair of the Corporation. This arrangement is a deliberate deviation from the Code. The Corporation considers that due to the complexity of the business it is in and the value of corporate memory, it is in the College's interests to be able to retain experienced trustees for more than two terms in exceptional circumstances. However, prior to recommending the reappointment of any individual, the Search & Governance Committee will consider any other available candidates and select the most suitable. In view of the recommendations of the Nolan Committee and the College's values, the Search & Governance Committee will take particular care to ensure that any decision to reappoint is justified.

Corporation Performance

Further Education Colleges are required by the terms of their funding agreements to undergo an external governance review every three years. The Corporation engaged in an external board review in 2024 receiving positive feedback about its composition, structures and interaction. Wendy Stanger from the AoC was instructed by the College to carry out this review which took place between March and May 2024. In its final report, which was considered by the Board meeting on 11 July 2024, the AoC concluded:

"There is evidence the Board is proficient and has some impact on college strategy, effectiveness, and outcomes".

The next external board review is due 2026/27.

All governors are asked to specify their own training and development needs as part of the Skills Audit and Corporation's annual self-assessment process. During the year to 31 July 2024 Governors were invited to participate in training/development opportunities, topics covered were:

BRADFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

- Link Governor refresh scheme
- Artificial Intelligence in Teaching, Learning & Assessment
- Preparation for Ofsted
- Jisc- Cyber Security
- Risk
- Governance Stakeholder Engagement Strategy

The ETF Governance Development Programme (online personalised training modules) has also been made available to all governors.

Alongside the training completed by governors the Clerk has undertaken a variety of development activities including Safeguarding and Prevent training, Health and Safety, the Ofsted Inspection Framework, charity law and attendance at Governance Professionals Conference. The Clerk also receives regular briefings/updates from the AoC, Eversheds, Department for Education, the ESFA, the Charity Commission as well as information from the Clerk's Network.

College Performance

Through annual business planning along with robust forecasting the College continues to work towards its strategic plan to deliver a sustainable college. The College bankers, Lloyds Banking Group, supported the College through the fluctuating business environment this last year.

The College continues to hold healthy cash balance at circa. £16.5m at 31 July 2024. £6.4m of cash and bank balances at the year-end have been received from ESFA in advance of spending on capital projects.

Committees of the Corporation

Search and Governance Committee

The Search and Governance Committee, which includes in its membership the Chief Executive (who is a Governor) and the Chair of the Corporation, considers applications for appointment to the Corporation. The Committee ensures that an appropriate range of skills and expertise is maintained on the board, including a programme of Governor training; and that there is effective succession planning. It closely monitors Governor attendance and operates a number of controls for the same, to ensure high levels of commitment are demonstrated and to mitigate the risk of ineffective governance where a majority of Governors are not fully briefed and up to date. The Committee also reviews the annual performance of the Corporation and advises the full board on the adequacy of its governance arrangements.

Remuneration Committee

The Remuneration Committee oversees the appraisal and performance management arrangements for the Chief Executive Officer, the Clerk and other senior post holders as defined in Standing Orders. It also makes recommendations to the Corporation in respect of their remuneration, in accordance with the AoC's code for remuneration of senior staff, and based on college performance, sector benchmarking and the achievement of individual objectives. The Committees' members are all independent governors. The Corporation has adopted the AoC's code for remuneration of senior staff.

Details of payments for the year ended 31 July 2024 are set out in note 7 of the notes to the Financial Statements.

BRADFORD COLLEGE

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Audit Committee

The Audit Committee in accordance with the Audit Code of Practice, comprises at least three members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with terms of reference approved by the Corporation. The Audit Committee meets four times a year and provides a forum for reporting by the College's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management.

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

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

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

Attendance at audit committee meetings in the year were:

Audit Committee	Possible attendances	Total attendances	Total absences	% attendance	21.09.23	07.12.23	29.02.24	16.05.24
Sharon West (Chair)	4	4	0	100%	1	1	1	1
Emmanuel Osei Boateng	4	3	1	75%	1	0	1	1
Umar Rafique	1	1	0	100%	1	n/a	n/a	n/a
Taqi Ali	3	2	1	67%	n/a	1	1	0
Barbara Mangan	2	2	0	100%	n/a	n/a	1	1
Total by meeting	14	12	2	88%	3	2	4	3

Finance and General Purposes Committee

The Finance and Resources Committee considers and advises the Corporation on all aspects of the Corporation's finances and resources, inclusive of financial policies, controls and strategy. It meets six times a year. Its membership includes the Chair of the Corporation and the Chief Executive Officer.

Quality and Standards Committee

The Quality and Standards Committee ensures the College's curriculum offering is of a high calibre and reflects current practice and pedagogy in the sector, making recommendations to the Corporation on the mission and educational character of the College. It meets four times a year. Its membership includes governors with relevant experience in the education sector especially within FE and HE.

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.

BRADFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Corporation has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Bradford College and the funding body, and the OfS registration conditions. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradford 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 and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding, 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 annually 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 Corporation;
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- the adoption of formal project management disciplines, where appropriate.

Internal Audit Reviews

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

For 2023-24 the TIA concluded that:

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.

In our opinion Bradford College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work."

BRADFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

During the year to July 2024, eight internal audits took place. The internal audits targeted areas where complexities existed with a view to targeting improvements in internal control.

Internal Audits 2023-24:

- The Procurement Audit report: overall conclusion of LIMITED assurance **;
- The Safeguarding report: overall conclusion of SUBSTANTIAL assurance;
- The HR Management: an overall conclusion of SUBSTANTIAL assurance;
- Assurance Review of Key Financial Controls - Payroll, Expenses and Credit Cards report: overall conclusion of SUBSTANTIAL assurance;
- The Assurance Review of Student Experience: overall conclusion of SUBSTANTIAL assurance;
- The Assurance Review of Governance – Strategic Control: overall conclusion of REASONABLE assurance;
- The ICT Disaster Recovery: overall conclusion of REASONABLE assurance;
- Performance Management: overall conclusion of SUBSTANTIAL assurance;
- Health and Safety: overall conclusion of REASONABLE assurance.

*** The Procurement Audit was carried out in 2022/23.*

There was one fundamental control recommendation on the Procurement Audit, relating to the recording of evidence of procurement processes. Procurement procedures have been changed to ensure that no order above the £5k threshold is approved without evidence of the procurement process being followed. All audit actions have been implemented in response to internal audit recommendations in the Procurement Audit Report. The main change to process to address the fundamental issue of recording of evidence is the new requirement to upload evidence into eProc (the College's procurement software) of the procurement processes having been followed whenever an order is placed on eProc.

Responsibilities under accountability agreements and the Office for Students conditions of registration

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all College accounting officers and these have now been reflected in the College financial Handbook in 2024, which has the effective date of 1 August 2024.

Bradford College is a provider that is registered with the Office for Students and adheres to the conditions of registration. This is monitored and tracked through the Quality & Standards Committee and the Corporation.

Statement from the Audit Committee

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

Review of effectiveness

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

- the work of the internal auditors

BRADFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

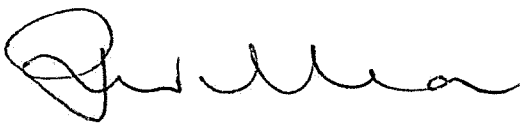
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for Colleges subject to funding audit) 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, taking into account the fundamental control point in the Procurement Audit on the evidencing of the procurement process has been addressed with the introduction of new procurement controls.

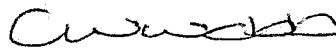
The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and 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. The Corporation has carried out the annual assessment for the year ended 31 July 2024 at its Corporation meeting on 12 December 2024 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2024.

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

Approved by order of the members of the Corporation on 12 December 2024 and signed on its behalf by



Mr John Williams
Chair



Mr Chris Webb
Chief Executive Officer

BRADFORD COLLEGE

STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr Chris Webb

Accounting Officer

12 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.



Mr John Williams

Chair of Governors

12 December 2024

BRADFORD COLLEGE

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

Within the terms and conditions of the Corporations' grant funding agreements and contracts with the ESFA and any relevant funding bodies, 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, accounts direction issued by Office for Students 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 or deficit of income over expenditure for that year.

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

The Corporation is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Corporation, and which enable it to ensure that the financial statements are prepared in accordance with the 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 in order to safeguard its assets and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the Corporation'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. They are responsible for ensuring that funds from the ESFA, and any other public funds, are used only in accordance with the ESFA's funding agreements and contracts and any other conditions that may be prescribed from time to time by ESFA or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear Accounting Officer" letter of 29 November 2022 and ESFA's bite size guides. They must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. They are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure, so that the benefits derived from the application of public funds from the ESFA and other public bodies are not put at risk. They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

Approved by order of the members of the Corporation and signed on its behalf by



Mr John Williams
Chair

12 December 2024

BRADFORD COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BRADFORD COLLEGE

Opinion

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

In our opinion the financial statements:

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

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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the College is forecasting further loan covenant breaches at quarter ends April 2025 and April 2026, for which the College's Banker has not issued waiver letters in advance. As stated in note 1, these events or conditions, along with the other matters as set out in note 1, indicate that a material uncertainty exists which may cast significant doubt about the College's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

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

We have nothing to report in this regard.

BRADFORD COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BRADFORD COLLEGE (CONTINUED)

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

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

- the College's grant and fee income, as disclosed in note 3 to the financial statements, has been materially misstated.
- the College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of Bradford College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 28, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation 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 these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

BRADFORD COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BRADFORD COLLEGE (CONTINUED)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the College operates in and how the College are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, Regulatory Advice 9: Accounts Direction published by the Office for Students' and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management whether the College is in compliance with these laws and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates and performing tests of detail on a sample of revenue transactions together with performing a review of the appropriate application of the College's revenue recognition policy.

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.

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 6 August 2024. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK AUDIT LLP
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

RSM UK Audit LLP

13/12/2024

BRADFORD COLLEGE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £'000	2023 £'000
INCOME			
Funding body grants	2a	46,918	40,098
Funding body grants – capital grants	2b	3,458	27,862
Tuition fees and education contracts	3	10,446	10,184
Other grants and contracts	4	1,447	1,410
Other income	5	1,162	723
Investment income	6	1,449	93
Total income		64,880	80,370
EXPENDITURE			
Staff costs	7	35,969	31,836
Restructuring costs	7	299	383
Other operating expenses	8	18,592	16,778
Depreciation	11	3,662	3,127
Interest and other finance costs	9	903	882
Total expenditure		59,425	53,006
Surplus before other gains and losses		5,455	27,364
Gain on disposal of tangible fixed assets	11	-	230
Surplus before tax		5,455	27,594
Taxation	10	-	-
Surplus for the year		5,455	27,594
Re-measurement of net defined benefit pensions scheme	24	(1,181)	4,630
Other comprehensive income for the year		(1,181)	4,630
Total comprehensive income for the year		4,274	32,224
Restricted Comprehensive income for the year	2b	3,458	27,862
Unrestricted Comprehensive income for the year		816	4,362
Attributable to the College Corporation		4,274	32,224

BRADFORD COLLEGE

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2024

	Attributable to the College					Total £'000
	Restricted reserves		Unrestricted Reserves			
	Fixed Asset fund £'000	Endowment fund £'000	Income and expenditure £'000	Revaluation reserve £'000	Merger reserve £'000	
Balance at 1ST August 2022	-	124	52,044	6,017	102	58,287
Surplus/(deficit) for the year	27,862	-	(268)	-	-	27,594
Other comprehensive income	-	-	4,630	-	-	4,630
Transfer between revaluation reserve and income and expenditure account	-	-	-	-	-	-
Total comprehensive income for the year	27,862	-	4,362	-	-	32,224
Balance at 31 July 2023	27,862	124	56,406	6,017	102	90,511
Surplus for the year	3,458	-	1,997	-	-	5,455
Other comprehensive income	-	-	(1,181)	-	-	(1,181)
Transfer between fixed asset fund and income and expenditure account	(2,562)	-	2,562	-	-	-
Total comprehensive income for the year	896	-	3,378	-	-	4,274
Balance at 31 July 2024	28,758	124	59,784	6,017	102	94,785

BRADFORD COLLEGE

BALANCE SHEET

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	11	84,112	75,260
Investments	12	122	125
Total fixed assets		84,234	75,385
Current assets			
Stocks		-	50
Trade and other receivables	13	17,255	26,942
Cash at bank and in hand	18b	16,500	14,477
Total current assets		33,755	41,469
Current liabilities			
Creditors – amounts falling due within one year	14	8,819	11,073
Net current assets		24,936	30,396
Total assets less current liabilities		109,170	105,781
Creditors – amounts falling due after more than one year	15	14,249	15,028
Provisions for liabilities and charges			
Defined benefit pension scheme	17	-	-
Other provisions	17	136	242
Total net assets		94,785	90,511
Reserves			
Restricted reserves			
Fixed Asset reserve		28,758	27,862
Endowment fund		124	124
		28,882	27,986
Unrestricted Reserves			
Income and expenditure account		59,784	56,406
Revaluation reserve		6,017	6,017
Merger reserve		102	102
Attributable to the College Corporation		65,903	62,525
Total reserves		94,785	90,511

The financial statements were approved and authorised for issue by the Corporation on 12 December 2024 and are signed on its behalf on that date by:



Mr J Williams
Chair



Mr C Webb
Accounting officer

BRADFORD COLLEGE

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £'000	2023 £'000
Operating activities			
Cash generated from operations		15,945	10,288
Taxation paid		-	-
Net cash from operating activities	18a	15,945	10,288
Investing activities			
Gift Aid received from joint venture		19	19
Interest received		571	93
Purchase of tangible fixed assets		(12,514)	(3,147)
Proceeds from sale of tangible fixed assets		-	1,526
		(11,924)	(1,509)
Financing activities			
Interest paid		(892)	(782)
Repayment of obligations under finance leases		(20)	(20)
Repayment of loan restructure borrowings		(1,086)	(2,775)
		(1,998)	(3,577)
Increase in cash and cash equivalents in the year		2,023	5,202
Cash and cash equivalents at beginning of the year	18b	14,477	9,275
Cash and cash equivalents at end of the year	18b	16,500	14,477

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES

General Information

Bradford College is a corporation established under the Further and Higher Education Act 1992 as an English general College of further education. The address of the College's principal place of business is Bradford College, Great Horton Road, Bradford, West Yorkshire, BD7 1AY.

Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (the F & HE SORP 2019) the College Accounts Direction for 2023 to 2024, and the Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the College. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

These financial statements represent the College only.

Going Concern

The College has loans of £14.9 million. The College does not have any requirement to borrow additional loans for the periods of our forecast, so there is no need to apply to ESFA for consent to borrow under the public sector regulations following the ONS reclassification of the FE college sector as public. The loan repayments schedule is set out in note 16 of these financial statements.

The College continued to work closely with the ESFA and the Lloyds Banking Group, during the 2023/24 financial year.

The College annually produces a three-year financial plan that is approved by the Corporation and submitted to the ESFA. The plan approved in July 2024, includes a budget and cashflow position to July 2026 which demonstrates robust cash management and strong and stable performance, with EBITDA above the FE Commissioner's benchmark. This will provide future financial health scores of Good, all which has been shared with the bank. As part of this three-year financial plan, monthly forecasts and cashflows to 31 July 2026 were prepared and assessed for covenant compliance for this period, with a high-level annual budget prepared for 2027.

The College is aware of the wider economic pressures of inflation and more specifically increasing energy costs, which have been exacerbated by the conflicts in Ukraine and the Middle East. In January 2022 a three-year fixed rate contract for gas and electricity was secured. This still resulted in a significant increase in costs but insulated the College from subsequent increases and price fluctuations. With regards to wider inflationary pressure the College monitors its costs robustly through the quarterly performance reviews, where if needed actions are taken to address deviations from budget and the impact is reported to the Governors for approval.

There are other economic and business challenges following the election of the Labour Government in July 2024. The government awarded and funded a payrise of 5.5% for school teachers but this was not extended to the FE sector. This will make it more difficult to retain and attract teachers to the FE sector. In addition, the government is attempting to cut the deficit in public finances by raising employers NI. Changes to the minimum wage and Employers' National insurance rates and thresholds announced in the October budget have added significant costs to the College payroll from April 2025 onwards, which is being built into future forecasts. Additional £300m funding was also announced in the Budget for the further education sector, but no guidance from the Treasury as to how it will be spent.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

The College calculates and reports covenants to the bank and the bank continues to be supportive of the College. The College breached its projected cashflow covenant in January and April 2024. A waiver was issued by the bank for all financial covenant breaches for the relevant periods ending 31 October 2023 to 30 April 2024. The College and the bank reset the loan covenants from 31 July 2024 and subsequent periods, and reduced the total number of covenants from six to four.

There are forecast breaches of the two cashflow covenants in April 2025 and April 2026, due to the large amount of College match funding required on the major building projects. We will request a waiver letter for the cashflow covenants breaches from the bank and the related ESFA consent, which are likely to be granted.

The College has cash balances of circa. £16.5m at 31 July 2024, which gives rise to confidence going forward. £6.4m of cash and bank balances at the year-end have been received from ESFA in advance of spend on capital projects.

A balanced budget has been set through the robust and detailed business planning rounds, giving control and visibility with a view to meeting the College strategic aim to deliver a sustainable college.

Our vision is to create a better future for all through education and training by working together to transform lives. The College aims to deliver an outstanding student experience in truly inclusive environment; meeting student, employers and the community needs through the curriculum; building on its reputation and influence and becoming an employer of choice, whilst improving environmental and financial sustainability.

The College has ended the year with a healthy level of cash reserves, a position that will be regularly reviewed during the 2024/25 academic year. The College believes that through careful monitoring of cash levels and planning of the spend, the future sustainability of a financial position of the College will be maintained. The College has prepared cashflow projections through to July 2026 that demonstrate the College can meet its working capital and debt obligations as they fall due.

The College has a good proven record of a robust budget planning and monitoring system, which is embedded in the financial management enabling the College to address reductions in income through strong cost control, this along with good current cash levels gives assurance that the college continues to be a going concern.

The College does need support from the bank in respect of forecast bank loan covenant breaches and has a reasonable expectation of receiving although this does represent the existence of a material uncertainty which may cast significant doubt over the College's ability to continue as a going concern.

The Governors are satisfied that the College remains a going concern and therefore adopt the going concern basis of accounting.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

Recognition of income

Grants – government and non-government

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the year in which the related costs for which the grant compensates are recognised.

Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the College and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income recognised.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

The recurrent grant from Office for Students represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance-related conditions being met is recognised as a liability.

Government capital grants for assets are accounted for under the performance model. The grant income received or receivable is recognised in full in profit or loss in the year in which the performance criteria related to the grant are met. Where the performance criteria relating to the grant are not met in the year in which the grant is received, the grant is not recognised in profit or loss.

Once a project is completed and grant conditions satisfied, a transfer is made between the fixed asset fund and income and expenditure account for the amount of the grant.

Tuitions fee income

Invoices are raised against courses where a fee is due from the student and recognised in the accounts in the year of study. The student applies where applicable for student finance or advanced learner loan to cover the fees. The fee invoice will be cleared by the Student Loan Company on behalf of the student or the student themselves as applicable.

Workbased Learning Fees

ESFA funding from the Adult Education Budget to support learning in the workplace combined with learning in the classroom. Income is recognised in the period of study.

Educational Contracts

Other educational contracts awarded to the College, funded by public and/or private sector partners. Income is recognised in line with the stage of completion of the contract.

Apprenticeship Income

Fees received through the ESFA and recognised in the period of study. The retention fee of 20% is recognised when received.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent that there is a right to consideration.

Income from tuition fees is recognised over the period for which it is received. All income from short-term deposits is accrued in the year in which it is earned on a receivable basis.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

Restructuring Costs

The cost of redundancy is calculated either in accordance with contractual terms or statutory provisions and a cost is recognised when the College has a detailed formal plan for restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring. The relevant statutory provisions are

based on the employee's age, length of continuous employment and either the statutory figure or actual weekly pay. Considerations will be given to the relevant provisions of the Local Government and Teacher's Pension Schemes.

Retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the West Yorkshire Pension Fund (WYPF), which are multi-employer defined benefit plans.

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 the Government Actuary on the basis of valuations using a projected unit method.

The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting; therefore it is accounted for as a defined contribution scheme, where the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The WYPF is a funded scheme, and the assets of the scheme are held separately. Pension scheme plan assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability is included in the operating surplus and recognised within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The LGPS assets are managed by the scheme trustees at the scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the year the employees' services are rendered.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive income in the year that the member of staff retires. In subsequent years the provision is re-measured, and a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the Association of Colleges.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

Fixed asset investments

College

Interests in jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statements of the College.

Interests in jointly controlled entities are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in comprehensive income.

Other investments and endowment assets

Listed investments or endowment assets are stated at fair value through the profit or loss. Investments comprising unquoted equity instruments whose fair values cannot be measured reliably are measured at cost less impairment. The income from the sale of investments is recognised as the sale is completed and any profit arising is disclosed in the Statement of Comprehensive Income.

Tangible fixed assets

Tangible fixed assets are stated at cost or where inherited at deemed cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Land and buildings are stated at cost, or deemed cost, for land held at valuation at the date of transition to FRS102 less accumulated impairment losses. Any impairment will be taken into the Income and Expenditure account at this point. Any loss or surplus as a result of the sale of a current asset will be taken into the Income and Expenditure account at the point of sale.

Equipment

Equipment costing less than £1,500 per individual item or set of items acquired together is recognised as expenditure in the year of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight-line basis, to write-off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Freehold buildings - between 10 and 50 years
- Major additions to buildings - 25 years
- Furniture and equipment - 20% per year – Straight Line Method
- Motor vehicles - 25% per year – Straight Line Method
- Fixtures and fittings - 10% per year – Straight Line Method
- Computer equipment - 25% per year – Straight Line Method

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has been fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, is treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Leased assets

Finance leased assets

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

Assets held under finance leases are recognised initially at the fair value of the leased asset or, if lower, the present value of minimum lease payments as determined at the inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets are depreciated over the shorter of the lease term and the estimated useful economic life of the asset and assessed for impairment losses in the same way as owned assets.

Operating leases

All leases are operating leases and annual rents are charged to comprehensive income on a straight-line basis over the lease term.

Financial Instruments

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. Financial liabilities and equity are classified according to the substance of the financial instruments' contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

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 charity for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

Provisions and contingent liabilities

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

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 that reflects the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the year 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 reliably measured.

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

Restricted reserves

Fixed asset reserve

Initial recognition of capital grants received less amounts transferred to Income and Expenditure on completion of the build project.

Unrestricted reserves

Income and expenditure reserve

Cumulative surplus/deficit generated by the College.

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Agency arrangements

The College acts as an agent in distributing discretionary support funds from the funding bodies. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (CONTINUED)

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION OF UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

In preparing these financial statements, management has made the following judgements and estimates:

- In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the College as lessee.

Critical accounting estimates and assumptions:

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives considering 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, maintenance programmes, economic utilisation and physical condition of the assets are considered. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. There was no indication of impairment in the current year.

- Recoverability of trade and other debtors

The College makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the ageing profile and historical experience of the customer.

- Local Government Pension Scheme

Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to include in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance and the operation of the primary and secondary contributions.

- West Yorkshire Pension Fund

The present value of the West Yorkshire Pension Fund defined benefit obligation 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 obligation at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension obligation.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

2a. FUNDING BODY GRANTS

Detail of grant income:	2024	2023
	£'000	£'000
Recurrent Grants		
Education and Skills Funding Agency - Adult	985	1,032
West Yorkshire Combined Authority - Adult	7,179	7,274
Education and Skills Funding Agency – 16-18	31,647	25,076
Apprenticeship contracts	4,260	4,701
Office for Students	50	100
Specific Grants		
Teachers' Pension Scheme contribution grant	1,235	920
Office for Students revenue grants	716	388
DfE Subject Knowledge Enhancement funding	823	217
WYCC grant – Strategic Development Fund	-	366
Other grant Income	23	24
Total	46,918	40,098

The Education and Skills Funding Agency (non-recurrent grant) – Adult funding includes in Community Learning funds of £976k for 2024 (2023: £976k).

2b. FUNDING BODY GRANTS – CAPITAL GRANTS

Detail of grant income:	2024	2023
	£'000	£'000
Capital Grants		
Office for Students	-	5,800
DfE grants – T-Level Wave 4	-	2,273
– T-Level Wave 5	-	3,252
– FE Reclassification Fund	-	892
– Energy Efficiency Grants	-	356
ESFA grants – Transformation Fund	-	15,000
– Skills Injection Fund	15	289
Other Grants – Salix	3,443	-
Total	3,458	27,862

In the current financial year, the College was awarded funding from ESFA and Salix. In the previous financial year, the College was awarded funding from the Office for Students, the DfE and ESFA. In accordance with the College's accounting policies, this funding has been accounted for under the performance model as the performance criteria related to the grant have been met.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

3. TUITION FEES AND EDUCATION CONTRACTS

<i>Details of fee income:</i>	2024	2023
Tuition Fees	£'000	£'000
UK higher education students	7,042	7,335
UK and EU further education students	722	921
Education contracts	2,682	1,928
Total	10,446	10,184

<i>Details of grant and fee income:</i>	2024	2023
	£'000	£'000
Grant income from the Office for Students	716	6,288
Grant income from other bodies	49,660	61,672
Fees income for taught awards (exclusive of VAT)	10,446	10,184
Total	60,822	78,144

4. OTHER GRANTS AND CONTRACTS

	2024	2022
	£'000	£'000
Other grants and contracts	1,421	1,380
UK-based charities	26	30
Total	1,447	1,410

5. OTHER INCOME

	2024	2023
	£'000	£'000
Other income generating activities	274	257
Miscellaneous income	888	466
Total	1,162	723

6. INVESTMENT INCOME

	2024	2023
	£'000	£'000
Other interest receivable	571	93
Gift Aid	19	-
	590	93
Net interest on defined benefit scheme	859	-
Total	1,449	93

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL REMUNERATION

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

	2024	2023
	No.	No.
Teaching staff	699	644
Non-teaching staff	332	268
Total	1,031	912

Staff costs for the above persons

	2024	2023
	£'000	£'000
Wages and salaries	28,061	24,116
Social security costs	2,756	2,251
Other pension costs	5,152	5,469
Payroll sub-total	35,969	31,836
Contracted out staffing services	-	-
	35,969	31,836
Restructuring costs - Contractual	233	134
Restructuring costs – Non-Contractual	66	249
Total staff costs	36,268	32,219

Restructuring costs are as approved by the Corporation.

Salary sacrifice schemes in operation during 2023/24 include childcare voucher scheme and cycle to work scheme.

Severance payments

The College severance payments for the year, disclosed in the following bands, are as follows:

£0- £25,000	17
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Included in staff restructuring costs are special severance payments totalling £65,566.

Individually, the payments were: £525, £858, £1,122, £1,496, £1,800, £2,667, £2,872, £2,898, £3,238, £3,355, £3,654, £3,733 and £3,938, £5,250, £6,255, £7,505, £14,400.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

Key management personnel compensation

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 Executive Team, which comprised the Chief Executive Officer, Vice Principal – Finance and Corporate Services, Vice Principal – Quality, Teaching and Learning, Vice Principal – EDI and Student Experience, Vice Principal – Curriculum, Vice Principal - Recruitment & Communications, Chief Information Officer, Director of People Services, two Assistant Principals and a Senior Executive Advisor.

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

	2024 No.	2023 No.
The number of key management personnel, including Accounting Officer	12	8

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

	2024 No.	2023 No.
£60,001 to £65,000 p.a.	4	1
£65,001 to £70,000 p.a.	3	-
£70,001 to £75,000 p.a.	-	-
£75,001 to £80,000 p.a.	-	1
£80,001 to £85,000 p.a.	-	1
£85,001 to £90,000 p.a.	1	-
£90,001 to £95,000 p.a.	-	2
£95,001 to £100,000 p.a.	3	2
£100,001 to £105,000 p.a.	2	1
£105,001 to £110,000 p.a.	1	-
£110,001 to £115,000 p.a.	-	1
£115,001 to £120,000 p.a.	1	-
£125,001 to £130,000 p.a.	-	1
£160,001 to £165,000 p.a.	-	-
£165,001 to £170,000 p.a.	-	-
£170,001 to £175,000 p.a.	-	1
£180,001 to £185,000	1	-
Total	16	11

All key personnel during the year 2023/24 were full time, where key personnel are part-time these are grossed up to full time equivalent and staff on maternity, paternity or sickness are expressed at their usual rate of pay.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

Key management personnel (Including the Accounting Officer) total compensation is made up as follows:

	2024 £'000	2023 £'000
Salaries – gross of salary sacrifice	1,053	895
Benefits in kind	-	-
Employers National insurance	132	112
	<hr/>	<hr/>
	1,185	1,007
Employers pension contributions	196	146
Total Emoluments	<hr/>	<hr/>
	1,381	1,153

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

	2024 £'000	2023 £'000
Salaries – gross of salary sacrifice	183	171
Benefits in kind	-	-
	<hr/>	<hr/>
	183	171
Employers pension contributions	46	40
Total Emoluments	<hr/>	<hr/>
	229	211

Relationship of Chief Executive Officer pay and remuneration expressed as a multiple:

	2024	2023
CEO's basic salary as a multiple of the median of all staff	5.89	4.86
CEO's total remuneration as a multiple of the median of all staff	7.40	5.22

C Webb held the office of the Chief Executive Officer for the full year of 2023/24.

The multiple is expressed against employee full time equivalent hours:

The remuneration package of Key management staff, including Chief Executive Officer, is subject to annual review by the Remuneration Committee of the Corporation, who set the appropriate remuneration in line with AoC's Senior Staff Remuneration Code in July 2019, based on the effectiveness of the senior post holders. The Committee terms of reference are tasked with avoiding rewarding poor performance. Benchmarking information is referenced to provide objective guidance.

Senior Postholders report to the Chair of Board, who undertakes an annual review of their performance against the college's overall objectives using both qualitative and quantitative measures of performance.

There were no severance payments made during the year that required approval by the College's Remuneration Committee. All redundancy payments were due to restructuring.

The CEO's basic salary is 5.89 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the College to its staff. The College's operating context and performance in 2023/24 are described in detail elsewhere in these financial statements. The Chief Executive Officer's remuneration is set in the context of a college with a turnover of £63.9m with a surplus of £5.2m before other gains and losses.

The College operates in an increasingly competitive student recruitment environment, linked to demographic factors and changes in government policy. Major risks include rising competition in the local area, financial sustainability, rising inflation and rising pension costs. There are significant challenges in both the FE and HE sectors in England in the year ahead.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

Compensation for loss of office paid to former key management personnel

	2024	2023
	£	£
Compensation paid to the former post-holder	-	78,555
Estimated value of other benefits, including provisions for pension benefits	-	-

Governors' remuneration

The Accounting Officer and the governor staff members only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the College in respect of their roles as governors.

During the year 2 governors (2023: 3) were paid total expenses of £1,791 (2023: £2,542) in respect of travel and subsistence and other out of pocket expenses incurred in the course of their duties.

8. OTHER OPERATING EXPENSES

	2024	2023
	£'000	£'000
Teaching costs	5,811	4,722
Non-teaching costs	4,466	5,200
Premises costs	8,315	6,856
Total	18,592	16,778

	2024	2023
	£'000	£'000
Surplus/ deficit before tax after charging/(crediting):		
<i>External auditors' remuneration (excluding VAT):</i>		
Financial statements audit	110	84
Other services provided by the financial statement's auditors:		
Assurance services	24	15
Other services	11	2
<i>Internal auditors' remuneration:</i>		
Internal audit work	32	31
Other services provided by the internal auditor	-	-
Gain on disposal of tangible fixed assets	-	230
ESFA cash sweep	-	342
Operating lease rentals	295	295

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

8. OTHER OPERATING EXPENSES (CONTINUED)

	2024	2023
	£'000	£'000
Access and participation expenditure:		
Access Investment	-	193
Financial support provided to students	134	117
Support for disabled students *	5	-
Research and evaluation related to access and participation	10	10
Total	<u>149</u>	<u>320</u>

* Funding information no longer provided by OfS.

The College's access and participation plan is available on the College's website at <https://www.bradfordcollege.ac.uk/wp-content/uploads/2022/03/Access-and-Participation-Plan-2020-21-to-2024-25.pdf>

Included within expenditure are the following transactions; individual transactions exceeding £5,000 are identified separately:

	Total	Individual items above £5,000	
	£'000	Amount	Reason
		£'000	
Compensation payments	9	9	Compensation for expulsion
Write off and losses	104	6	Debt>4 years
Guarantees, letters of comfort and indemnities	Nil	-	n/a
Ex-gratia payments	Nil	-	n/a

9. INTEREST AND OTHER FINANCE COSTS

	2024	2023
	£'000	£'000
Bank loans, overdrafts and other loans	872	760
Finance leases	20	22
Net interest on defined pension asset/ liability (note 23)	-	92
Net interest on enhanced pension provision	11	8
Total	<u>903</u>	<u>882</u>

10. TAXATION

The Corporation does not believe the College was liable for any corporation tax arising from its activities during either period.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

11. TANGIBLE ASSETS

	Land and Buildings	Assets Under Construction	Fixtures, Computers & Equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 st August 2023	95,647	1,118	19,032	115,797
Additions	-	9,857	2,657	12,514
At 31 July 2024	95,647	10,975	21,689	128,311
Accumulated Depreciation				
At 1 st August 2023	25,984	-	14,553	40,537
Charge for the year	1,868	-	1,794	3,662
At 31 July 2024	27,852	-	16,347	44,199
Carrying Amount				
At 31 July 2024	67,795	10,975	5,342	84,112
At 31 July 2023	69,663	1,118	4,479	75,260

The net book value of Land and Buildings includes an amount of £250,000 (2023: £250,000) in respect of an asset held under finance lease. The depreciation charge on the asset for the year was £nil (2023: £nil).

If inherited land and buildings had not been valued, before deemed being at cost on transition to FRS 102, they would have been included at the following amounts:

Cost	£'000
Aggregate depreciation based on cost	Nil
Net book value based on cost	Nil

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

12. NON-CURRENT INVESTMENTS

	2024	2023
	£'000	£'000
Other non-current asset investments	122	125
Total	122	125
	Total	Total
	£'000	£'000
Cost or valuation		
At 1 st August	127	127
At 31 July	127	127
Provisions for impairment		
At 1 st August	2	1
Impairment losses	3	1
At 31 July	5	2
Carrying amount		
At 31 July	122	125

The College's joint venture undertakings are:

Name of undertaking	Class of shareholding	Proportion of nominal value held directly	Nature of Business
Inprint and Design	Limited	50%	Printing

The investment in the joint venture undertaking is separate from the endowment. The joint venture had a contract to carry out printing, marketing and postal services for the College and Bradford University, which ended in August 2024. The joint venture is currently in the process of being liquidated.

13. DEBTORS AND OTHER RECEIVABLES

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	698	523
Joint venture undertakings	-	28
Prepayments and accrued income	2,073	1,017
Government grants - capital	13,793	23,175
Amounts owed by the ESFA	691	2,199
Total	17,255	26,942

Trade receivables are stated net of a bad debt provision of £196k (2023: £241k).

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Bank loans	900	1,242
Obligations under finance leases	48	33
Trade creditors	260	1,381
Joint venture undertakings	-	66
Taxation and social security	28	538
Other creditors	850	-
Accruals and deferred income	3,109	3,638
Holiday pay accruals	1,079	869
Deferred income government revenue grants	751	521
Amounts owed to the ESFA	1,794	2,785
Total	8,819	11,073

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£'000	£'000
Bank loans	13,989	14,733
Obligations under finance leases	260	295
Total	14,249	15,028

16. BORROWINGS

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2024	2023
	£'000	£'000
In one year or less	900	1,242
Between one and two years	1,800	1,800
Between two and five years	2,700	2,700
In five years or more	9,489	10,233
Total	14,889	15,975

(b) Finance leases

Total future minimum lease payments are repayable as follows:

	2024	2023
	£'000	£'000
In one year or less	20	21
Between one and two years	40	45
Between two and five years	60	77
In five years or more	188	186
Total	309	329

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

16. BORROWINGS (CONTINUED)

The new facility in 2019 comprised of a) a £2m interest only loan repayable in full at the end of 4 years unless repaid from the proceeds of disposal of surplus properties, b) an £11.7m loan repayable over 15 years with a capital holiday for the first two years, and c) a final payment of £6.3m at the end of the 15-year term of the £11.7m loan.

The balance of £11.7m is subject to a fixed rate interest charge of 3.784% per annum. All other loan balances are at a variable rate linked to Bank of England Base Rate.

In March 2019, the College signed a contract with Bradford Council to lease the Alexandra Car Park, Great Horton Road. The lease agreement consisted of:

- a. One peppercorn rent per annum from 15 June 2015 to 14 June 2021
- b. Rent of £31,400 per annum from 15 June 2021 to 14 June 2034
- c. Rent of £31,212 for the final year from 15 June 2034 to 14 June 2035

Purchase Price 15 June 2035 £1.00. With interest charged at 4% above NatWest base rate.

There is a financial condition set out in the agreement, which was updated for the following covenants to be tested quarterly for the following - Cash flow Cover (min 1:1), Projected Cash flow Cover (min 1:1), Total Gross Debt to EBITDA (max 4:1), Capital Expenditure (max £1.5m) and a Minimum Cash Balance (£4m).

The following charges on property exist within the College: The Secretary of State for Education 29 July 2019 Property: 39 and 41 Chapel Street, Bradford: Lloyds Bank Plc Date: 29 May 2019 Property: 39 and 41 Chapel Street, Bradford.

17. PROVISIONS FOR LIABILITIES

	Enhanced pensions
	£'000
At 1 st August 2023	242
Utilised in the year	(117)
Additional provision in the year	11
At 31 July 2024	<u>136</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 23.

The enhanced pension provision relates to the cost of staff that have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. 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 comprehensive income in the year that the member of staff retires. In subsequent years the provision will be re-measured, and a charge made to provisions in the balance sheet. The provision has been calculated in accordance with guidance issued by the funding bodies. The principal assumptions in this calculation are:

	2024	2023
Price inflation	2.80%	280%
Discount rate	4.80%	500%

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

18(a). NOTES TO THE STATEMENT OF CASH FLOWS

	2024	2023
	£'000	£'000
Cash flow from operating activities		
Surplus after tax for the year	5,455	27,594
Depreciation	3,662	3,127
Decrease in other provisions	(106)	(13)
Pension costs less contributions payable	(322)	1,022
Investment income	(1,449)	(93)
Interest payable	903	882
Profit on Sale of tangible fixed asset	-	(230)
Gift Aid received from Joint Venture	(19)	(19)
Net cash flow from operating activities	<u>8,124</u>	<u>32,270</u>
Decrease in stocks	50	12
Decrease/ (Increase) in debtors	9,687	(24,646)
(Decrease)/ Increase in creditors	(1,916)	2,652
Cash generated from operations	<u><u>15,945</u></u>	<u><u>10,288</u></u>

18(b). ANALYSIS OF CHANGE IN NET FUNDS / (DEBT)

	At 1 August 2023	Cash flows	Other changes	At 31 July 2024
	£'000	£'000	£'000	£'000
Cash and cash equivalents	14,477	2,023	-	16,500
	<u>14,477</u>	<u>2,023</u>	<u>-</u>	<u>16,500</u>
Loans falling due within one year	(1,242)	1,242	(900)	(900)
Loans falling due after more than one year	(14,733)	(156)	900	(13,989)
Finance lease obligations	(328)	20	-	(308)
Total	<u><u>(1,826)</u></u>	<u><u>3,129</u></u>	<u><u>-</u></u>	<u><u>1,303</u></u>

19. CAPITAL COMMITMENTS

As at 31 July 2024 the College had £23,027k of authorised contracts for future capital expenditure (2023: £30,852k).

20. LEASE OBLIGATIONS

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

	2024	2023
	£'000	£'000
Payments due:		
Not later than one year	295	287
Later than one year and not later than five years	9	62
Later than five years	-	-
Total lease payments due	<u><u>304</u></u>	<u><u>349</u></u>

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

21. CONTINGENCIES

The College has no contingent liabilities to report.

22. EVENTS AFTER THE REPORTING PERIOD

1. After a period of consultation, Inprint & Design Limited was put into voluntary liquidation after the year end.
2. On 11 September 2024 the government announced that ESFA's functions would be bought into the Department for Education.

23. 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 West Yorkshire Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

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

	2024		2023	
	£'000	£'000	£'000	£'000
Total pension cost for the year				
Teachers' pension scheme contributions paid		3,292		2,613
Defined contribution		11		8
West Yorkshire Pension Fund:				
Current Service Costs:				
Contributions paid	2,288		1,816	
FRS102 (28) charge	(322)		999	
Past Service Costs	-		23	
		1,966		2,838
Charge to the Statement of Comprehensive income				
Enhanced pension charge/(credit) to Statement of Comprehensive income		(117)		10
Total Pension Cost for year within staff costs		5,152		5,469

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by the employers, are credited to the Exchequer. The TPS is a multi-employer pension plan. There is insufficient information to account for the scheme on as a defined benefit plan, so it is accounted for as a defined contribution plan.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

23. DEFINED BENEFITS OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme (continued)

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016: £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance)).

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 1 April 2028 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2023-24 academic year, and currently through to July 2025.

The pension costs paid to TPS in the year amounted to £3,291,778 (2023: £2,613,390).

The amount of £409,609 was outstanding at the end of July 2024 (2023: £290,533).

Local Government Pension Scheme

The WYPF is a funded defined-benefit plan, with the assets held in separate funds administered by City of Bradford Metropolitan District Council. The total contributions made for the year ended 31 July 2024 were £3,050,975 (2023: £2,445,000) of which employer's contributions totalled £ 2,288,000 (2023: £1,816,000) and employees' contributions totalled £807,000 (2023: £629,000). The amount of £261,733 was outstanding at the end of July 2023. The agreed contribution rates until 31 March 2021 are 16.4% for employers and range from 5.5% to 12.5% for employees, depending on salary. The proposed contribution rate for employer's increases as follows, following the draft actuarial valuation results as at 31 March 2022:

- 18% from 1st April 2022
- 18% from 1st April 2023
- 18.1% from 1st April 2024

The next scheme valuation for LGPS will be 31 March 2025, with the new employer contribution rates applicable from 1 April 2026.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an FE body in the statutory sector closure, where there is no transfer or merger, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 12 November 2024.

Principal Actuarial Assumptions

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

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.85%	3.85%
Future pensions increase	2.60%	2.60%
Discount rate	5.00%	5.00%
Inflation assumption (CPI)	2.60%	2.60%
Commutation of pensions to lump sums	0.00%	0.00%

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

23. DEFINED BENEFITS OBLIGATIONS (CONTINUED)

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	At 31 July 2024	At 31 July 2023
<i>Retiring today</i>		
Males	20.8	21.0
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	21.7	22.2
Females	24.7	25.1

The College's share of the assets in the plan at the balance sheet date:

	Fair Value at 31 July 2024 £'000	Fair value at 31 July 2023 £'000
Equity instruments	99,194	92,031
Property	3,377	3,791
Government Bonds	11,007	8,272
Corporate Bonds	5,003	5,170
Cash	3,377	3,562
Other	3,127	2,068
Total fair value of plan assets	<u>125,085</u>	<u>114,894</u>
Actual return on plan assets	<u>11,520</u>	<u>5,148</u>

Amounts charged/ (credited) to 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	1,966	2,815
Past service cost	-	23
Total	<u>1,966</u>	<u>2,838</u>
Interest and other finance (income) / costs:		
Net interest	(859)	92
Total	<u>(859)</u>	<u>92</u>
Amount recognised in other comprehensive income:		
Return on pension plan assets	5,807	1,277
Actuarial gains including adjustment due to restriction of surplus	(6,988)	3,353
Amount recognised in other comprehensive income	<u>(1,181)</u>	<u>4,630</u>

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

23. DEFINED BENEFITS OBLIGATIONS (CONTINUED)

Changes in the present value of defined benefit obligations	2024	2023
	£'000	£'000
Defined benefit obligations at start of year		
Liabilities at start of the year	98,833	114,922
Current service cost	1,966	2,815
Interest cost	4,854	3,963
Contributions by scheme participants	807	629
Actuarial (gains)	(2,255)	(19,414)
Benefits paid	(4,424)	(4,105)
Past service cost	-	23
Defined benefit obligations at end of year	99,781	98,833
Changes in fair value of plan assets	2024	2023
	£'000	£'000
Fair value of plan assets at start of year	114,894	111,406
Interest income	5,713	3,871
Return on plan assets (excluding net interest on the net defined benefit liability)	5,807	1,277
Employer contributions	2,288	1,816
Contributions by scheme participants	807	629
Benefits paid	(4,424)	(4,105)
Fair value of plan assets at end of year	125,085	114,894
(Surplus) of plan obligations net of plan	(25,304)	(16,061)
Recognition of net asset		
Present value of defined benefit obligation	99,781	98,833
Fair value of plan assets	125,085	114,894
Net Asset	25,304	16,061
Restriction to level of asset ceiling	(25,304)	(16,061)
Net asset recognized in the balance sheet	-	-

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

The College is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

BRADFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

24. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Key management compensation disclosure is given in note 7.

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

Inprint & Design Limited (company number 4229897)

Inprint & Design Limited is a private limited company in which the College holds 50% of the issued share capital, the remaining 50% being held by the University of Bradford. Dr Sarah Cooper is a director of Inprint & Design Limited from the 19 November 2021. Purchase transactions with Inprint & Design Limited in the year amounted to £588,898 (2022/23: £439,890) with £nil outstanding at the year-end (2022/23: £65,956). Sales transactions with Inprint & Design Limited in the year amounted to £351,812 (2022/23: £271,939) with a balance of £nil outstanding at the year-end (2022/23: £27,708). A gift aid value of £19k (2022/23: £nil) was gifted to Bradford College for the accounting period.

Inprint & Design Limited ceased trading on 31 August 2024, and is currently in the process of being liquidated.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF BRADFORD COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 6 August 2024 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") and the Department for Education (the DfE) or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Bradford College during the period 1 August 2023 to 31 July 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

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

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Corporation of Bradford College for regularity

The Corporation of Bradford College is responsible, under the grant funding agreements and contracts with the ESFA and 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 which govern them. The Corporation of Bradford College is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

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

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

Use of our report

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

RSM UK Audit LLP

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Date

13/12/2024