

**BOLTON COLLEGE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023**

Company Number - 11198091



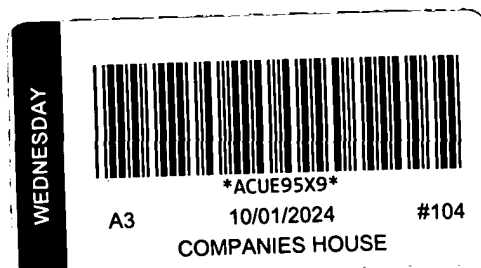
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**BOLTON COLLEGE**

**Report and Financial Statements**

**1 August 2022 to 31 July 2023**

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BOLTON COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023  
**BOLTON COLLEGE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2023**

## **Reference and Administrative Details**

### **College Board**

Board Membership is detailed on pages 4 and 19 in the accounts.

### **Senior Management Team** (all from 1 August 2022 unless stated otherwise)

Bill Webster – Principal and Chief Executive

Mark Burgoyne – Deputy Principal

Garry Westwater – Executive Director of Finance

Jane Marsh – Executive Director of Human Resources and Estates

Tracey Clarke - Assistant Principal of Curriculum Design, Information and Technical Services

Catherine Langstreth - Assistant Principal of Curriculum & Stakeholder Engagement (from 28 November 2022)

Kate Wallace – Director of Apprenticeships and Employer Engagement (until 25 November 2022)

Karen Westsmith – Assistant Principal of Curriculum & Quality

### **Clerk to the Board**

Deborah Bradburn - Clerk to the Board

### **Registered Office**

Deane Road, Bolton, BL3 5BG

### **Professional Advisors**

#### **Financial Statement Auditors and Reporting Accountants**

Azets Audit Services

Floor 1 Capital House

8 Pittman Court, Pittman Way

Fulwood

Preston

PR2 9ZG

#### **Internal Auditors:**

PricewaterhouseCoopers LLP

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

#### **Bankers:**

National Westminster Bank

Bolton Central Branch

24 Deansgate

Bolton

BL1 1BN

Barclays

3 Hardman Street

1<sup>st</sup> Floor

Spinningfields

Manchester

M3 3HF

#### **Solicitors:**

Mills & Reeves LLP

8<sup>th</sup> Floor

1 New York Street

Manchester

M1 4AD

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## REPORT OF THE GOVERNING BODY

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### OBJECTIVES AND STRATEGY

The Board present the Annual Report and audited Financial Statements for the Year ended 31<sup>st</sup> July 2023.

### Legal Status

On 1 August 2018, Bolton College merged with the University of Bolton – and Bolton College is a wholly owned subsidiary of the University of Bolton. Bolton College is a Designated Institution in Further Education and a company limited by guarantee (Company Number 11198091) – and under The Further and Higher Education Act 1992, the College remains an exempt charity for the purposes of the Charities Act 2011.

### Governing Body Membership

From 1 August 2018, the University of Bolton has nominated 6 Members to the Board of Bolton College and the Vice Chancellor (Ex-Officio) presently as follows:

#### From the University of Bolton

Professor George E Holmes DL – President and Vice Chancellor (Ex-Officio)  
Dr Andrew Roberts – Independent Board Member  
Baroness Sayeeda Warsi – Pro Vice Chancellor (2 May 2023)  
Dr Tony Unsworth – Assistant Vice Chancellor (Resources)  
Dr Gill Waugh - Head of School for Education and Psychology  
Dr Chris Ball – Consultant

Bolton College Governors agreed that with effect from 1st September 2018, the membership framework of the Board should be as follows:

- The President and Vice Chancellor, University of Bolton (Ex-Officio)
- 6 Members nominated by Bolton College
- 6 Members nominated by the University of Bolton
- The Principal and Chief Executive
- 2 Staff Members
- 2 Student Members

A quorum of 7 Members is required to meet.

## REPORT OF THE GOVERNING BODY (continued)

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### Mission

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

- Bolton College will enable individuals, businesses and communities within Bolton and the region to realise their potential through Education and Training that is inclusive, inspiring, innovative and responsive to their needs.

### Public Benefit

Bolton College is an exempt charity under the Part 3 of the Charities Act 2011 and Following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees for the charity, are disclosed on page 19.

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

### Going Concern

The Board considers that the College has adequate resources to continue in operational existence for the foreseeable future. With an improving financial health grade, a stronger cash position, and bank covenant compliance, the Board continues to adopt the Going Concern basis in preparing the financial statements.

### Implementation of the College's Strategic Plan

Bolton College is firmly grounded in its community, and is a key player in supporting young people and adults, through developing their skills and education, to contribute effectively to employment and the economy. Bolton College provides the culture, environment, facilities, innovation and services to enable learners at all career stages, local businesses, college staff and the College itself to develop and maintain social mobility within a thriving local economy.

The ever-changing policy and funding environment means we need to be continuously agile, proactive to change, and work with employers, local authorities, and other stakeholders to ensure we are meeting their needs and the needs of our learners. This will take on even greater importance in future as a result of a new statutory responsibility placed on colleges to review its curriculum offer regularly to ensure it is aligned to the needs set out in Local Skills Improvement Plans by employer groups. We are focused on ensuring long term sustainability, recognising that this will be achieved with more flexible and innovative models of operation, including greater collaboration and partnership.

The College Strategic/Operational Plans were developed by the Senior Management Team (SMT) before Board approval in June 2023.

In the current rapidly changing environment, the College has a detailed Strategic Plan which details Key Themes (Financial, Quality and Benefits from Merger) into Areas of Focus (see below). The Areas of Focus have Associated Strategic Priorities which inform Annual Operational Objectives and Indicators of Success (KPIs).

## Strategic Plan

| Key Theme            | Areas of focus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Associated Strategic Priorities                                    |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Financial            | <p>Optimise recruitment to deliver to plan, including recruitment onto T-levels.</p> <p>Contribute to the development of the Group approach to apprenticeships and employer engagement.</p> <p>Manage costs and efficiencies to protect cash and efficient review of capex.</p> <p>Maintain compliance with Bank Covenants; ESFA provider financial review status to at least 'Good'; and with new regulations following ONS redesignation as a public sector body, and whilst also working to meet Group needs.</p> <p>Ensure measures are in place to deliver a resilient cyber security environment.</p>                                                                                                                                                                                                                                                                                                                                                                  | <p>Financial sustainability.</p> <p>Responsive to communities.</p> |
| Quality              | <p>Maintain / improve satisfaction and achievement (maintaining particular focus upon Maths and English).</p> <p>Maintain close working relationship with GM Combined Authority on the skills agenda and adult skills devolution.</p> <p>Maintain close partnership working with key stakeholders including but not limited to GM Colleges Group, Bolton Council Vision Partnership, and the Chamber of Commerce; and ensure contribution to the Local Schools Improvement Plan</p> <p>Respond to findings arising from the Ofsted inspection (once undertaken).</p> <p>Ensure that impartial Information Advice and Guidance (IAG) continues to be at the heart of the learner journey and maintain Matrix accreditation.</p> <p>Maintain compliance with OfS General Ongoing Conditions of Registration and with the Protocol for the Reporting of Assurance Returns from Group Subsidiaries to the University Board (including Safeguarding and Health &amp; Safety).</p> | <p>Road to Outstanding.</p> <p>Digital College.</p>                |
| Benefits from merger | <p>Actively promote progression to the University.</p> <p>Maximise the benefits from the Group Structure, including participation in joint bids and in activities such as IMS.</p> <p>Develop back-office resource opportunities, including supporting the Agency New Co.</p> <p>Ensure alignment between College &amp; University portfolio of provision at all levels and develop appropriate HTQ at higher education level.</p> <p>Optimise opportunities from Educational Tech Learning Environments.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Optimising opportunities.</p>                                   |

## Operating Plan

In June 2023 a review of progress of the Operating Plan was undertaken with updates notes as on target, ongoing or complete.

| Strategic Priority                               | Annual Operational Objectives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Optimising opportunities across the merged group | <ul style="list-style-type: none"> <li>• Continue to develop the approach to Apprenticeships across the Group, particularly with Alliance Learning, including sharing best practice and expertise (e.g. performance boards, self-assessment, action planning); identifying and closing any gaps; joint training events; continuing to further embed good practices already within College processes; monitoring potential growth incl. levy and non-levy employers</li> <li>• Utilising Alliance Learnings commercial arm to further support employers</li> <li>• Actively promote progression to the University, ensuring alignment between College and University portfolio of provision, continued enhancements in curriculum to support successful learner progression and continued marketing of learner benefits</li> <li>• Support the Mental Health &amp; Wellbeing Strategies across the Group</li> <li>• Ensure ongoing oversight of governance and quality assurance reporting, including continued working with the ESFA and the Office of the FE Commissioner, also ensure compliance with any changes arising from ONS reclassification</li> <li>• Development of new subsidiaries including Bolton Talent Solutions for Agency staff</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Focusing efforts on the road to outstanding      | <ul style="list-style-type: none"> <li>• Further develop employer engagement with endorsement of curriculum and work experience opportunities.</li> <li>• The opening of a new job shop to ensure maximising of opportunities for students and employers</li> <li>• Maintain / improve satisfaction and achievement rates</li> <li>• Review and develop Marketing Strategy (focus T-Levels, Adult and HE)</li> <li>• Ensure that the learner voice is at the heart of the college journey</li> <li>• Work towards ensuring staff can reach their full potential through support with effective CPD and appraisals</li> <li>• Overlay College / University provision with the GM Skills Agenda and local needs of Bolton linked to the Bolton 2030 Vision Agenda, in order to inform future development with a flexible and responsive curriculum offer</li> <li>• Continued focus on introducing new T levels as the flagship L3 technical offer in Bolton</li> <li>• Continue to develop and launch new Higher Technical Qualifications (HTQs) with a medium-term strategy to grow L4/5 HE provision</li> <li>• Review and improve communication channels</li> <li>• Monitor and maintain a minimum of Good for future Ofsted (including Early Years (Nursery)). Increase the proportion of Outstanding areas in the College 22-23 SAR</li> <li>• Ensure that quality processes and methodologies are aligned to the standards and requirements of the Education Inspection Framework (EIF).</li> <li>• The development of the BLUE agenda as a new research-based approach to Teaching, Learning and Assessment</li> <li>• Launch new quality software – the 'How2 Platform</li> <li>• Develop and launch an environmental 'green' strategy to commit the college to achieving its net zero target by 2038. Also, to fulfil the education agenda of the strategy by embedding content into the tutorial and curriculum programmes. Work with local partners to support the proposed sustainable district heating network</li> <li>• Undertake baseline sustainability review through external consultancy and develop net zero plan.</li> <li>• Continued focus on Health and Safety with the introduction of new barrier access control points across the college</li> </ul> |

| Strategic Priority                                                         | Annual Operational Objectives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ensuring financial sustainability                                          | <ul style="list-style-type: none"> <li>• Manage costs and efficiencies to protect cash, generating sufficient cash to service borrowing and the necessary investment to support the road to outstanding and becoming a digital college, and ensuring compliance with Bank Covenants and gaining an unqualified audit report.</li> <li>• Maintain the Key Performance Outcomes as included within the Dashboard</li> <li>• Maintain a minimum of 'Good' financial health</li> <li>• Monitor the impact and future implications of the recent Office for National Statistics reclassification into a public sector body and ensure compliance to managing public money (MPM)</li> <li>• Continue to invest in buildings and facilities including new plant, equipment and lifts</li> <li>• Review capital cost if wave 5 building extension is approved</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Becoming a truly 'digital college'                                         | <ul style="list-style-type: none"> <li>• Develop Learning Environments including continuing to embed existing AI Learning Systems and developing the next stage to support learner outcomes</li> <li>• Continue to monitor the impact of wider developments of AI in the education sector e.g. Chat GBT on assessments</li> <li>• Continue to review back-office processes to ensure appropriate digital context</li> <li>• Further review and improve technical development within curriculum sectors to ensure industry needs are being met</li> <li>• Promotion of the Digital Skills Academy under the auspices of the T level and a focus in partnership with the University and NHS on Health Informatics</li> <li>• Continue to provide investment in the College IT infrastructure and equipment to ensure staff and learners are able to develop and access digital content to support curriculum delivery. Increase number of hard wired classrooms for student access.</li> <li>• Continue to maintain 'Cyber Essentials' and review the need for 'Cyber Essentials Plus'</li> </ul>                                                                                                                                                                                                                                                |
| Being responsive to the communities we serve in Bolton and the City Region | <ul style="list-style-type: none"> <li>• Work with GMCA and the GM Colleges supporting the Mayoral aspiration for the vision of an Integrated Technical Education, Skills and Work City</li> <li>• Continue to ensure the impact of increased devolution in the GMCA benefits and fits with the college strategy</li> <li>• Working with the Council, review existing delivery locations for Community Learning including in hardest to reach areas, to ensure appropriate locations which are mapped against GM areas of priority / deprivation and linked to local employment key skills requirements and working with partners to ensure the LSIP is appropriate</li> <li>• Continue to work with Bolton Council in partnership to deliver the Community Learning programme (transferred to the College in 22-23)</li> <li>• Continue to work with local and regional partners to provide a curriculum offer that meets the needs of individuals, employers and local authorities</li> <li>• Work closely with the Vision Group and specifically the Skills and Team Bolton sub group to ensure an appropriate local skills plan is in place and to evidence the college's engagement with local employers and stakeholders</li> <li>• To continue to support the Community Champions programme in partnership with the council.</li> </ul> |

### Key Performance Indicators (KPIs)

The Board monitors performance throughout the year against annual targets and plans.

Progress and forecasts are RAG rated, and variances each have a commentary where necessary.

A KPI Dashboard is maintained to monitor Income, EBITDA, Cash/Current Ratio, ESFA Financial Health (presently forecast to be "Good") and bank covenants.

Qualitative measures detail Learners' Achievement, Satisfaction and Progress and a Curriculum self-assessment of the College's Ofsted Grades is also reviewed and scrutinised.

The KPI Dashboard is reported to the Audit Committee, Board and to the parent company in each Board cycle.

### Learner Numbers and Funding (Further Education) 2022/23

The College received Education and Skills Funding Agency (ESFA) funding for young people (16-19) of £14.6m. This was an increase from the previous year due to higher learner weightings and volumes.

The allocation for Adult Classroom based provision was flat during the year. Funding is now mostly with the contract with Greater Manchester Combined Authority (GMCA) following the devolution of AEB Funding from ESFA. The College has a small contract with ESFA also going forward – and activity for this was achieved.

During and post-Pandemic, the College has not met its targets for Adult Learners but numbers are improving. Apprenticeship funding/volumes have been strong in recent years, however present carry forward numbers are below expectations and the College has set challenging targets to recruit additional learners going forward.

Other commercial income through full cost delivery was also impacted during covid restrictions, although the impact was not destabilising as budgets had already been set prudently to reflect an expectation that this would be a difficult market. Going forward this is an area targeted for necessary growth in income.

### Staffing

All College teaching staff have maintained a continuing professional development portfolio. 95% hold teaching qualifications and 56% are qualified to post graduate level. People related indicators form an important part of the College's ongoing reporting, monitoring and review. A range of areas are covered, particularly staff turnover, absence rates, appraisals and mandatory training are reported to the Resources and the Board.

### Ofsted

Bolton College is graded Good/Grade 2 in all aspects of delivery by Ofsted, as follows:

The College Nursery was assessed as Good/Grade 2 in September 2023.

The College, along with Bolton Council, was also inspected and Grade 2 was achieved for Adult and Community Learning in January 2020.

The College was last inspected in February 2017 and was assessed as Good. The main grades for the College are as follows:

- |                                              |         |
|----------------------------------------------|---------|
| • Outcomes for learners                      | Grade 2 |
| • Quality of Teaching, Learning & Assessment | Grade 2 |
| • Effectiveness of Leadership and management | Grade 2 |

## **FINANCIAL POSITION**

### **Financial results**

The College generated a deficit before tax in the year of -£864k (which includes £471k of costs relating to FRS102 (28) Pensions), (2021/22 – deficit of -£1,770k (FRS102 (28) - £2,090k)), with total comprehensive income of £9,980k, (2021/22 – 21,244k). The underlying financial outcome was in the main as forecast in-year.

However, this overall position was achieved in a very different way to the original budget. Utilities contracts were secured after the budget was set, and these were significantly adverse and post-Pandemic the College continued to see growth in Adult Learner numbers stall. In addition, inflation hit both Pay and Non-Pay costs.

The College has accumulated reserves of £23,154k. Cash balances were £4,691k at year end. The College wishes to continue to accumulate reserves and cash balances in order to create a contingency fund. Tangible fixed asset additions during the year amounted to £1,154k.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the FE funding bodies provided > 85% of the College's total income. The College has an objective to diversify its income streams, and has structures and strategies in place to facilitate this aim.

The College has adopted the accruals method for the reporting of capital grants. Capital grants now form part of current and long-term liabilities.

### **Treasury Policies and Objectives**

Treasury management is the management of the College's cash flows, its banking, money market and leasing transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. The College has a Treasury Management policy in place. The College has no short-term borrowing for temporary revenue purposes in place. Such arrangements are restricted by limits in the College's Financial Memorandum agreed with the ESFA. All other borrowings require the authorisation of the Board and to comply with the Financial Memorandum.

### **Taxation**

The College was not liable for any Corporation Tax arising from its charitable activities during the Year.

### **Reserves Policy**

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures there are adequate reserves to support the College's core activities.

The College reserves include £10k held as restricted reserves. As at the balance sheet date the Income and Expenditure reserve stands at £2,412k. The Board aspires to increase reserves going forward.

### **Payment Performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the Year to 31 July 2023, the College incurred no interest charges in respect of late payment for this Year.

### **Financial Health**

The College's Financial Health is rated by the College and ESFA as "Good" for 2022/23.

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Learner numbers**

In Academic Year 2022/23, the College delivered courses to 2,343 students aged 16-19 years. This was above the income target and the "lag-funding" system deployed by ESFA - and this will result in higher grant income for 2023/24. Income for Apprenticeships exceeded expectation – and is budgeted to grow in 2023/24 also.

The College continues to deliver successfully to increasing numbers of learners with high needs learning difficulties and disabilities. Due to increasing demand, recruitment has been increased for 2023/24 accordingly.

The funding methodology has been fully embraced and embedded in the courses offered by the College with a much greater emphasis on full-time study programmes which include English and maths.

### **Adults**

Adult funding is wholly devolved to Greater Manchester Combined Authority. A great deal of emphasis is now placed on income generating provision and full-cost courses which will continue going forward. The College will continue to appraise projects and submit bids to funding agencies that support developmental opportunities for working with adults within the College community.

### **Curriculum Developments**

Bolton College continues to review its curriculum in order to better meet learner needs. This includes creating and maintaining a line of sight from first step programmes through to Higher Education – and this has increased curriculum alignment with the University of Bolton both pre- and post-merger.

Many of the College's learners have low levels of prior educational achievement and the College is increasing the range of courses aimed at learners who are returning to education. These include entry level 3, foundation learning and basic skills programmes.

The addition of new vocational foundation level options is a major component in addressing the local not-in-education, employment or training (NEETs) agenda and ensuring that young people can prepare themselves for the next stage in their lives.

Because the College responds to the needs of Bolton learners, the College curriculum is weighted towards foundation learning and Level 1 programmes as other post-16 providers in the town focus largely on Level 3 with some Level 2. However, additional curriculum gaps will be identified, developed and delivered in areas of key priorities identified through key economic analysis of Greater Manchester, Bolton and the community. Developments include an emphasis on STEM subject and level 3/4 programmes, consistent with the STEM Centre strategy and building.

Other courses and initiatives prepare learners for University. These include:

- Increased offer for GCSEs in English and Maths;
- Significant HE Access courses for adults;
- Development of Level 4 courses including HNCs and degrees where they clearly fit the needs of our learners and Industry.

Regarding the delivery of Bolton Authority Community Learning, the College has worked with the Council to ensure that, increasingly, courses prepare our most vulnerable learners and citizens for their first or next step towards employment.

### **Staff and Learner Involvement**

The College believes good communication with staff and learners to be of the utmost importance and continues to develop effective communication strategies and tools.

The Principal holds termly all staff meetings which have a strategic focus and overview of College performance in addition to covering general College business. The College Management Team (CMT) continues to meet on a regular basis. The College has an embedded electronic form of communication via 'all staff emails'. These are bulletins aimed at staff and are a vital way of ensuring that all staff have access to the same information and are aware of key College information / notices etc.

A learner newsletter has a focus on learner-based news items which are designed to enhance their experience at College and improve communication with Learners.

Learners receive news and communication from their tutors through ProMonitor – an online learner portal.

The Principal and Executive Director of HR and Estates meet formally on a termly basis with the recognised trade unions. In addition, staff are able to elect two staff Governors. Learner representatives are members of the College Board, and a learner forum supported by a sub-forum for each curriculum area.

The Principal, supported by some of the Senior Management Team, chairs the termly Learner Forum which enables learners to bring issues to the key decision makers in the College. Each year Learners are invited to give feedback to the College through enrolment, induction and learner satisfaction surveys.

### **Future developments**

The College continues to strive to improve efficiency as core funding will not keep pace with cost pressures.

### **New Wave 5 Development**

The College has been awarded additional capital funding for investments in T-Levels for a number of areas within its curriculum offer.

After a successful Wave 5 funding bid, the College will co-fund the development of new facilities for Digital and Engineering areas of the curriculum.

### **The Institute of Medical Sciences**

The new Institute of Medical Sciences (IMS) – led by the University of Bolton is a c. £40m new build in the grounds of Royal Bolton Hospital, and is scheduled to open during Academic Year 2023/24. Presently, a bad debt provision for outstanding funding is prudently allowed for. IMS may host the College's Health provision as well as assist the College – and the wider University of Bolton group - to grow learner numbers. It is intended to deliver from Levels 2 to 7, and the aspiration is for IMS to transform both training and employment opportunities in the Healthcare Sector locally in Bolton and Greater Manchester. It will provide training for existing and new staff, giving local people a direct route into healthcare employment and existing staff the opportunity to upskill.

### **Commercial Digital Developments**

The College has invested significantly in an in-house development of Ada, Ada Goes to School and First Pass. A pioneering chatbot – Ada earned a top prize for the most effective use of technology at the AOC Beacon Awards in March 2020. Bolton College is one of the first UK colleges to have introduced a Chatbot which uses artificial intelligence to answer more than 1,000 queries each day from students' and staff. Ada has increased learner retention, reduced teacher workload and bureaucracy, increased mental wellbeing and enhanced support for visually impaired students.

With ambitions to commercialise its digital developments – the College has created an Intangible Asset - and has 'live' signed non-disclosure agreements to develop and market these developments within all spheres of Education nationally in the UK. In 2019/20, the University of Bolton made an investment of £240k in this work and thus co-owns this development with the College.

## RESOURCES

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

### *People*

The College employed an average of 564 staff (FTE: 443) during 2022/23 – up from 559 people in 2021/22 - of this number 208 are teaching staff. Staffing agencies are used to supply staff for curriculum delivery where shortages of staff and/or demand does not justify the employment of a full time or fractional member of staff.

### *Reputation*

The College has a good reputation locally and nationally. This is essential for the College's success at attracting learners and employers. The Principal and Senior Management Team actively pursue external relationships which have strategic relevance. The Principal is strategic lead for the Bolton Vision Group and is a member of the Greater Manchester Colleges' Group – taking a lead on mental health issues.

### *Financial*

The College has £64.9m of fixed assets, provisions of £2.380m and outstanding loan debt of £6.998m.

## PRINCIPAL RISKS AND UNCERTAINTIES

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. Based on the strategic plan, the Senior Management Team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the College. The College's Senior Management Team review risk at every meeting thereof, identifying any new risks – consequently a Risk Register is maintained at College level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The College's Risk Register and Risk Management Action Plan, identifies sub groups and College committees responsible for maintaining, monitoring and controlling each risk. Each Year, all such groups or committees review and reassess their relevant risks, which informs the report to the College's Audit Committee.

### **Government Funding**

The College is heavily reliant on Government funding via ESFA, Greater Manchester Combined Authority (GMCA) and Office for Students. A significant increase in ESFA funding for 2020/21 is most welcome and needed. However, there can be no assurances of additional funding going forward. The financial impact of the Covid-19 Pandemic is forecast to be severe. Further increases in funding – despite the compelling case for such - are unlikely unless Government policy or practice prioritise the Further Education (FE) Sector for more support and investment.

The College is acutely aware of the economic uncertainty and challenges post the pandemic – and prudently will plan for an adverse impact on future income levels. The one area of most uncertainty is apprenticeships.

The College, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution agenda and to the apprenticeships reform. It is recognised that the introduction of the apprenticeship levy will significantly affect that marketplace though the full implications are not yet known as government policy continues to develop.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- Merger with the University of Bolton
- By ensuring the College is rigorous in delivering high quality education and training
- Considerable focus and investment are placed on maintaining and managing key relationships and dialogue with the various funding bodies
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.

### **Tuition fee policy**

Post-merger with the University of Bolton, the College agrees fee levels with the University going forward.

### **Maintain adequate funding of pension liabilities**

The financial statements report the share of the Local Government Pension Scheme asset on the College's balance sheet in line with the requirements of FRS 102. Under the definitions set out in FRS 102 (28.11), the Teachers' Pension Scheme (TPS) is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

### **Failure to maintain the financial viability of the College**

The College's current financial health grade is classified as "Good". The College is planning for improved surplus/cash generation primarily to lessen the dependency for support from the University of Bolton, to adequately invest in its Estate – particularly digital - and to lessen the burden of its loan debt. Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on FE funding and the potential post-pandemic cuts to Public Funds. Financial risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in year budget monitoring
- Robust financial controls
- Exploring ongoing efficiencies – particularly with joint services/procurement across the Group.

## **STAKEHOLDER RELATIONSHIPS**

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

- Learners;
- Education sector funding bodies;
- FE Commissioner;
- Staff;
- Schools and parents;
- Local and regional employers and employer organisations;
- Bolton Council;
- Greater Manchester Combined Authority;
- Bolton Sixth Form College, the University of Bolton and regional HEI's;
- The local community and voluntary sector organisations;
- Trade unions; and
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through active involvement in key fora and events, through meetings and through the College website.

### **Equality**

Bolton College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's Intranet site. The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis. A single Equality Action Plan is published each year and monitored by members of the Equality and Diversity Committee, Managers and the Board.

## Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010 and the College has had to ensure it has met its obligations to make reasonable adjustments to goods and services for current or potential learners with disabilities: -

- *the College's main campus is fully compliant with equality legislation with specific regards to access requirement. This has included a full access audit from a qualified access consultant using Part M of the Building Regulations and BS8300 as the design standard. AccessAble (which the College subscribes to) has also undertaken a survey to record the facilities the building offers which are published via their website.*
- *the College's Head of Learner Support, provides information, advice and arranges support where necessary for learners with disabilities;*
- *there is a range of specialist equipment, such as portable loops and Touch-Typing Reading and Spelling (TTRS), which the College can make available for use by learners;*
- *the College has enhanced the size of the staff team who support learners with disabilities as to continue to develop the range and scope of support the College can offer;*
- *the staff corporate induction and wider staff development programme is in place which outlines the College's continuing commitment to current equalities legislation;*
- *there is a continuing programme of staff development to ensure the provision of a high level of appropriate support for learners who have learning difficulties and/or disabilities;*
- *specialist courses are available to meet a variety of learners' needs; there is a large team of specialist support tutors, signers and classroom assistants who ensure learners with disabilities or difficulties are not treated less favourably than a non-disabled learner;*
- *a range of counselling and welfare services are available to learners*
- *the College is assessed by Job Centre Plus as part of its Disability Confident scheme, this is ensuring that the College is committed to being "positive about disabled people" and as such is entitled to use the "disability confident employer" symbol;*
- *the Executive Director of HR and Estates, working with the HR team and College managers provides advice and support to staff who become disabled through working closely with organisations such as Access to Work.*
- *the College has developed a Single Equality Scheme. The Scheme describes in a single document how the College will fulfil its statutory duties to promote and foster equality of opportunity and avoid discrimination, demonstrate its commitment to placing the promotion and fostering of equality and diversity at the centre of every aspect of the College's work;*
- *the College was noted to be a "welcoming place in which to study and work, Leaders have embedded equality of opportunity extremely well throughout the College community, staff and learners reflect well the diverse cultural heritage of the local community" (Ofsted - February 2019).*

### Energy Use and Carbon Reporting

The College is committed to reducing the environmental impact of its operations.

| UK Greenhouse gas emissions and energy use data for the period |           |
|----------------------------------------------------------------|-----------|
| Energy consumption used to calculate emissions (kWh)           |           |
| Energy consumption breakdown (kWh)                             | 5,814,901 |
| - gas                                                          | 3,540,671 |
| - electricity                                                  | 2,274,231 |
| <u>Scope 1 emissions in metric tonnes CO2e</u>                 |           |
| Gas consumption                                                | 648       |
| <u>Scope 2 emissions in metric tonnes CO2e</u>                 |           |
| Purchased electricity                                          | 471       |
| Total gross emissions in metric tonnes CO2e                    | 1119      |
| <u>Intensity ratio</u>                                         |           |
| tCO2e per staff member                                         | 1.98      |

### Quantification and Reporting Methodology

We have followed HM Government's 2019 Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and the Government's Conversion Factors for Company Reporting (2023).

### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per staff member.

### Section 172 Statement

The Board are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company in achieving its charitable purpose and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.

Within this report, we have summarised our governance framework and how we are engaged with stakeholders during the year. The Trustees have considered the views and needs of key stakeholders in Board discussions and decision making. The following points are not intended to be an exhaustive list but are illustrative of how the Trustees have fulfilled these duties during the year.

### **Engagement with employees**

The Senior Leadership Team actively engages staff through frequent all-staff briefings, use of internal communication tools, and other staff meetings / briefings to provide updates on business developments and to answer questions directly and update staff on matters affecting the College.

- The College maintains a staff intranet which provides access and information on staff related matters.
- The College has continued to invest in staff wellbeing and the range of provision of support through occupational health services and counselling. The College has also invested in Vivup which is an Employee Assistance Programme which provides staff with 24/7 access to counselling, debt advice and discounts to leisure and retail products.
- College management and trade unions meet regularly to discuss matters relating to staff such as pay and wider terms and conditions.
- Reflecting the impact of the pandemic on staff/learners, the College continues to invest in Wellbeing. The College has a wellbeing strategy which incorporates learners and staff and there is a range of services on offer such as staff training and awareness raising, staff sessions which focus on staff connectivity and getting together, an EAP offer and counselling. For students there are specific staff which focus on learner wellbeing and pastoral aspects of College life, counselling and mental health interventions such as drop-in sessions and 1 to 1 support.

### **Disclosure of information to auditors**

The members of the Board 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 of the Board 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 the Board of Bolton College on 13<sup>th</sup> December 2023 and signed on its behalf by:**



**Dr. A Roberts**  
**Chair of the Board**

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

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The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the year from 1<sup>st</sup> August 2022 to 31<sup>st</sup> July 2023 and up to the date of the approval of the report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with seven principles identified by the committee on standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in the Code of Good for Governance English Colleges ("the Code");
- iii. having due regard to the UK Corporate Governance Code insofar as it is applicable to the further education sector.

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

In the opinion of the Governors, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31<sup>st</sup> July 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.

The College is satisfied that it has had due regard for the Charity Commission's guidance on public benefit. Professional fundraisers and commercial participators do not carry out fundraising activities for the College.

In carrying out its responsibilities, it takes full account of the Code of Good for Governance English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in July 2015 and the Accountability annex to the foundation code that was issued in March 2013 and adopted by the College in July 2014.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Board - who are also the Trustees for the purposes of the charities Act 2011 - can confirm that they have had due regard for the charity commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)

### The Board

Membership and members' respective Board and sub-committee attendance for the Year was as follows:

| Member                                 | Date Appointed | Office Term | Date Resigned | Status of Appointment                    | Committees Served and Attendance                                                                             | Board Attendance % |
|----------------------------------------|----------------|-------------|---------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------|
| Dr Chris Ball                          | 03/04/2019     | 4 Years     |               | Member                                   | Audit – 67%<br>Standards & Performance – 75%                                                                 | 100%               |
| Mrs G. Brennan                         | 01/09/2018     | 4 Years     |               | Member                                   | Standards & Performance – 100%                                                                               | 50%                |
| Mr A. Fawcett (Vice Chair)             | 01/09/2018     | 4 Years     |               | Member                                   | Chair of Audit - 100%<br>Search & Governance – 100%<br>Standards & Performance - 100%<br>Remuneration – 100% | 100%               |
| Mrs K. Flood                           | 01/09/2018     | 4 Years     |               | Member                                   | Resources - 50%<br>Remuneration – 100%                                                                       | 100%               |
| Mr T. Martin                           | 22/09/2021     | 4 Years     |               | Staff Member                             | Standards & Performance – 100%                                                                               | 100%               |
| Dr S. Lomax                            | 01/09/2018     | 4 Years     |               | Member                                   | Chair of Standards & Performance - 75%                                                                       | 75%                |
| Ms S. Nixon                            | 01/09/2019     | 4 years     | 21/09/2022    | Member                                   | Audit – 100%                                                                                                 | 100%               |
| Dr A. Roberts (Chair)                  | 01/09/2018     | 4 Years     |               | Member nominated by University of Bolton | Search & Governance – 100%<br>Resources – 100%<br>Remuneration – 100%                                        | 100%               |
| Mrs S. White                           | 08/02/2022     | 4 Years     |               | Member                                   | Audit – 100%                                                                                                 | 75%                |
| Baroness Sayeeda Warsi                 | 20/04/2021     | 4 Years     | 05/04/2023    | Member nominated by University of Bolton | Resources – 0%                                                                                               | 0%                 |
| Mr W. Webster                          | 01/01/2017     |             |               | Principal/Chief Executive                | Search & Governance – 100%<br>Standards & Performance - 100%<br>Resources – 100%<br>Remuneration – 100%      | 100%               |
| Prof G. Holmes                         | 01/09/2018     | Ex-Officio  |               | Member nominated by University of Bolton | Resources – 50%<br>Remuneration – 0%<br>Search & Governance – 0%                                             | 75%                |
| Dr T. Unsworth                         | 01/09/2019     | 4 Years     |               | Member nominated by University of Bolton | Resources – 100%                                                                                             | 100%               |
| Dr G. Waugh                            | 01/09/2019     | 4 Years     |               | Member nominated by University of Bolton | Standards & Performance – 50%                                                                                | 75%                |
| Mrs R. Davison                         | 10/02/2020     | 4 Years     | 01/02/2023    | Staff Member                             | Standards & Performance – 50%                                                                                | 100%               |
| Mr A. Brooks                           | 17/11/2020     | 4 Years     |               | Member nominated by University of Bolton | Search & Governance – 100%                                                                                   | 50%                |
| Mr F. Farooq                           | 20/04/2021     | 2 Years     | 19/04/2023    | Student Member                           | Standards & Performance – 67%                                                                                | 33%                |
| Mr M. Walker                           | 20/12/2022     | 2 Years     | 30/06/2023    | Student Member                           | Standards & Performance – 100%                                                                               | 100%               |
| Mrs C. Garth                           | 27/04/2023     | 4 Years     |               | Staff Member                             | Standards & Performance – 100%                                                                               | 100%               |
| Dr Gill Smallwood                      | 14/02/2023     | 4 Years     |               | Member                                   |                                                                                                              | 100%               |
| Dr Julian Coleman                      | 04/07/2023     | 4 Years     |               | Member nominated by University of Bolton |                                                                                                              |                    |
| <b>Average attendance</b>              |                |             |               |                                          |                                                                                                              | <b>80%</b>         |
| Ms. D. Bradburn is Clerk to the Board. |                |             |               |                                          |                                                                                                              |                    |

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)**

### **The Board (continued)**

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

The Board is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Board normally meets four times per year.

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. Board meetings are supported by the Audit, Resources, Search & Governance, Standards and Performance and Remuneration committees. Full minutes of all meetings, except those deemed to be confidential by the Board, are available from the Clerk to the Board at:

Bolton College,  
Deane Road Campus,  
Deane Road  
Bolton,  
BL3 5BG

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

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

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

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair of the Board and Principal are separate.

### **Appointments to the Board**

Any new appointments to the Board are a matter for the consideration of the Board as a whole. The Board has a Search & Governance Committee comprising the Chair, the Principal and two other Governors, which is responsible for the selection and nomination of any new member for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required.

Members of the Board are appointed for a term of office not exceeding 4 Years.

### **Board Performance**

There is an annual schedule of meetings during the Year and all meetings were quorate. The annual schedule of meetings covers all statutory requirements. An annual skills audit seeks to maintain the balance of skills, experience and expertise of Governors and Governors make an annual declaration of the eligibility to serve as governors and complete an annual register of interest. There is a standing item on all agendas covering declarations of interest. Progress on implementation of actions from each meeting is reported and monitored at subsequent meetings. The Board also undertakes an annual self-assessment review.

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

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### Remuneration Committee

Throughout the year ended 31 July 2023, the College's Remuneration Committee comprised the Chair, the Vice Chair and two other members. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal, one other senior post-holder and the Clerk.

Details of remuneration for the Year ended 31<sup>st</sup> July 2023 are set out in note 7 to the Financial Statements.

### Audit Committee

The Audit Committee comprises four members of the Board (excluding the Chair, the Principal and members of the Resources) – one of whom is a finance/audit specialist. The Committee operates in accordance with written terms of reference approved by the Board and based on the Post 16 Audit Code of Practice.

The Audit Committee meets 3 times per year and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

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

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

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

### Internal Control

#### *Scope of responsibility*

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

The Board has delegated the day to day responsibility to the Principal, as Accounting Officer for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the College and the ESFA. He is also responsible for reporting to the Board any material weaknesses or break-downs 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 Bolton College for the year ended 31 July 2023 and at the legacy College up to the date of approval of the annual reports and accounts in the new designated institute.

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)**

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### ***Capacity to handle risk***

The Board has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board 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 ended 31 July 2023 and at the legacy College up to the date of approval of the annual reports and accounts in the new designated institute. This process is regularly reviewed by the Board.

### ***The risk and control framework***

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

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

The College employs internal audit service providers, which operate in accordance with the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit Committee. At minimum annually, the internal audit service providers supply the Board with a report on internal audit activity in the College. The report includes their independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### ***Review of effectiveness***

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and Audit

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)**

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 Board agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its November 2023 meeting the Board carried out the annual assessment for the year ended 31<sup>st</sup> July 2023 by considering documentation from the senior management team and internal audit, taking account of events since 31 July 2023.

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

Approved by order of the members of the Board of Bolton College on 13<sup>th</sup> December 2023 and signed on its behalf by:



**Dr A Roberts**  
**Chair of the Board**



**Mr W Webster**  
**Accounting Officer**

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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### Statement of regularity, propriety and compliance

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

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

I confirm that no instances of material irregularity, impropriety, funding 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 W Webster  
Accounting officer  
13<sup>th</sup> December 2023

### 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.



Dr A Roberts  
Chair of Governors  
13<sup>th</sup> December 2023

## STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE BOARD

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

Within the terms and conditions of the college's grant funding agreements and contracts with ESFA, the Board – through its accounting officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the college and its surplus / deficit of income over expenditure for that Year.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the college will continue in operation.

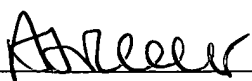
The Board is also required to prepare a Report of the Governing Body which describes what it is seeking to do and how it is going about it, including the legal and administrative status of the College.

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

The Board is responsible for the maintenance and integrity of the College website. The work carried out by the 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 other jurisdictions.

Members of the Board are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, the Board are responsible for ensuring that funds from the ESFA are used only in accordance with the grant funding agreement and contracts with ESFA and any other conditions that may be prescribed from time to time. Members of the Board must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Board are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the funding bodies are not put at risk.

Approved by order of the members of the Board of Bolton College on 13<sup>th</sup> December 2023 and signed on its behalf by:



**Dr A Roberts**  
**Chair of the Board**

## **Independent auditor's report to the Board of Bolton College on the audit of the financial statements**

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

We have audited the financial statements of Bolton College, a Designated Institution under the Further and Higher Education Act 1992, for the period ended 31 July 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as 31 July 2023 and of its results for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting for Further and Higher Education (2019); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 United Kingdom, including the Financial Reporting Council'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 audit opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The Board of the College are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006 and by the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Governing Body (incorporating the Strategic Report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governing Body (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (incorporating the Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

**Responsibilities of the Board of the College**

As explained more fully in the Statement of Responsibilities Statement of The Members of the Board on page 25, the Board of the College are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of the College 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 Board of the College are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of the College 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the College sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the College's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**Julie Flintoff BA(Hons) FCA (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services**  
**Statutory Auditor**  
**Floor 1 Capital House**  
**8 Pittman Court, Pittman Way**  
**Preston**  
**PR2 9ZG**

Date: 19/12/23

### **Reporting accountant's assurance report on regularity**

To the Board of Bolton College, a Designated Institution in Further Education (Company number 11198091) ("the College") and Secretary of State for Education acting through the Department for Education and Skills Funding Agency ("ESFA").

In accordance with the terms of our engagement letter dated 7 October 2023 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Bolton College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

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

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Legacy College's activities;
- evaluation of the processes and controls established and maintained in respect of regularity and propriety for the use of public funds through observation of the arrangements in place and enquiries of management;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and that included in the self-assessment questionnaire (SAQ); and limited testing, on a sample basis, of income and expenditure for the areas identified as high risk and included on the SAQ.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

*Azets Audit Services*

Azets Audit Services  
Floor 1 Capital House  
8 Pittman Court, Pittman Way  
Preston  
PR2 9ZG

Date: 19/12/23

**Bolton College**  
**Statement of Comprehensive Income**

|                                                         |       |                              | <i>Restated</i>              |
|---------------------------------------------------------|-------|------------------------------|------------------------------|
|                                                         | Notes | Period ended<br>31 July 2023 | Period ended<br>31 July 2022 |
|                                                         |       | £'000                        | £'000                        |
| <b>INCOME</b>                                           |       |                              |                              |
| Funding body grants                                     | 2     | 27,161                       | 24,222                       |
| Tuition fees and education contracts                    | 3     | 2,767                        | 3,036                        |
| Other grants and contracts                              | 4     | 7                            | 7                            |
| Other income                                            | 5     | 830                          | 655                          |
| Endowment and investment income                         | 6     | 230                          | 2                            |
| <b>Total income</b>                                     |       | <b>30,995</b>                | <b>27,922</b>                |
| <b>EXPENDITURE</b>                                      |       |                              |                              |
| Staff costs                                             | 7     | 21,350                       | 20,317                       |
| Other operating expenses                                | 8     | 7,384                        | 5,886                        |
| Impairment charge in respect of Land and Buildings      | 12    | (202)                        | -                            |
| Depreciation                                            | 11/12 | 2,777                        | 2,657                        |
| Interest and other finance costs                        | 9     | 550                          | 837                          |
| <b>Total expenditure</b>                                |       | <b>31,859</b>                | <b>29,698</b>                |
| <b>(Deficit) before other gains and losses</b>          |       | <b>(864)</b>                 | <b>(1,775)</b>               |
| Profit on disposal of assets                            |       | -                            | 5                            |
| <b>(Deficit) before tax</b>                             |       | <b>(864)</b>                 | <b>(1,770)</b>               |
| Taxation                                                | 10    | -                            | -                            |
| <b>(Deficit) for the period</b>                         |       | <b>(864)</b>                 | <b>(1,770)</b>               |
| Actuarial gain in respect of pensions schemes           | 24    | (5,261)                      | 23,014                       |
| Revaluation Reserve comprehensive income for the period |       | 16,105                       | -                            |
| <b>Total Comprehensive Income for the period</b>        |       | <b>9,980</b>                 | <b>21,244</b>                |

The accompanying notes form part of the financial statements.

**Bolton College**  
**Statement of Changes in Reserves**

|                                                                   | Income and<br>Expenditure<br>Account<br>£'000 | Trust Fund<br>Reserve<br>£'000 | Revaluation<br>Reserve<br>£'000 | Total<br>£'000       |
|-------------------------------------------------------------------|-----------------------------------------------|--------------------------------|---------------------------------|----------------------|
| <b>Balance at 1 August 2021</b>                                   | (12,889)                                      | 10                             | 4,809                           | (8,070)              |
| Deficit from the income and expenditure account - Restated        | (1,770)                                       | -                              | -                               | (1,770)              |
| Other comprehensive income                                        | 23,014                                        | -                              | -                               | 23,014               |
| Transfers between revaluation and income and expenditure reserves | -                                             | -                              | -                               | -                    |
| <b>Total Comprehensive Income for the period - Restated</b>       | <u>21,244</u>                                 | <u>-</u>                       | <u>-</u>                        | <u>21,244</u>        |
| <b>Balance at 31 July 2022 - Restated</b>                         | <u><b>8,355</b></u>                           | <u><b>10</b></u>               | <u><b>4,809</b></u>             | <u><b>13,174</b></u> |
| <b>Balance at 1 August 2022 - Restated</b>                        | 8,355                                         | 10                             | 4,809                           | 13,174               |
| Deficit from the income and expenditure account                   | (864)                                         | -                              | -                               | (864)                |
| Other comprehensive income                                        | (5,261)                                       | -                              | 16,105                          | 10,844               |
| Transfers between revaluation and income and expenditure reserves | 182                                           | -                              | (182)                           | -                    |
| <b>Total Comprehensive Income for the period</b>                  | <u>(5,943)</u>                                | <u>-</u>                       | <u>15,923</u>                   | <u>9,980</u>         |
| <b>Balance at 31 July 2023</b>                                    | <u><b>2,412</b></u>                           | <u><b>10</b></u>               | <u><b>20,732</b></u>            | <u><b>23,154</b></u> |

The accompanying notes form part of the financial statements.

**Bolton College**  
**Balance Sheet as at 31 July**  
Company Number - 11198091

|                                                                       |       | 2023                 | <i>Restated</i><br>2022 |
|-----------------------------------------------------------------------|-------|----------------------|-------------------------|
|                                                                       | Notes | £'000                | £'000                   |
| <b>Non Current Assets</b>                                             |       |                      |                         |
| Intangible assets                                                     | 11    | 247                  | 466                     |
| Tangible fixed assets                                                 | 12    | 64,902               | 50,000                  |
| Pensions asset                                                        | 24    | -                    | 5,546                   |
|                                                                       |       | <u>65,149</u>        | <u>56,012</u>           |
| <b>Current Assets</b>                                                 |       |                      |                         |
| Stocks                                                                |       | 23                   | 61                      |
| Trade and other receivables                                           | 13    | 1,465                | 1,527                   |
| Investments                                                           | 14    | 1                    | 1                       |
| Cash and cash equivalents                                             | 20    | 4,691                | 6,206                   |
|                                                                       |       | <u>6,180</u>         | <u>7,795</u>            |
| <b>Less: Creditors – amounts falling due within one year</b>          | 15    | (7,884)              | (8,560)                 |
| <b>Net Current (Liabilities) / Assets</b>                             |       | <u>(1,704)</u>       | <u>(765)</u>            |
| <b>Total Assets less Current Liabilities</b>                          |       | <b>63,445</b>        | <b>55,247</b>           |
| <b>Less: Creditors – amounts falling due after more than one year</b> | 16    | (37,911)             | (39,450)                |
| <b>Provisions</b>                                                     |       |                      |                         |
| Defined benefit obligations                                           | 24    | -                    | -                       |
| Other provisions                                                      | 19    | (2,380)              | (2,623)                 |
| <b>Total Net Assets / (Liabilities)</b>                               |       | <u><b>23,154</b></u> | <u><b>13,174</b></u>    |
| <b>Unrestricted Reserves</b>                                          |       |                      |                         |
| Income and expenditure account                                        |       | 2,412                | 8,355                   |
| Trust fund reserve                                                    |       | 10                   | 10                      |
| Revaluation reserve                                                   |       | 20,732               | 4,809                   |
|                                                                       |       | <u><b>23,154</b></u> | <u><b>13,174</b></u>    |

The accompanying notes form part of the financial statements.

The financial statements on pages 32 to 57 were approved and authorised for issue by the Board on 13th December 2023 and were signed on its behalf on that date by:



Dr A Roberts  
Chair of the Board



Mr W Webster  
Accounting Officer  
Principal and Chief Executive

**Bolton College**  
**Statement of Cash Flows**

|                                                            | Notes | 2023<br>£'000         | Restated<br>2022<br>£'000 |
|------------------------------------------------------------|-------|-----------------------|---------------------------|
| <b>Cash inflow from operating activities</b>               |       |                       |                           |
| Deficit for the period                                     |       | (864)                 | (1,770)                   |
| <b>Adjustment for non cash items</b>                       |       |                       |                           |
| Depreciation                                               |       | 2,777                 | 2,657                     |
| Impairment of assets                                       |       | (202)                 | -                         |
| Decrease/(increase) Increase in stocks                     |       | 38                    | 18                        |
| Decrease/(increase) in debtors                             |       | 62                    | 87                        |
| (Decrease)/increase in creditors due within one year       |       | 791                   | 1,144                     |
| (Decrease) in creditors due after one year                 |       | (1,158)               | (688)                     |
| (Decrease) in provisions                                   |       | (243)                 | (466)                     |
| Pensions costs less contributions payable                  |       | 285                   | 2,348                     |
| <b>Adjustment for investing or financing activities</b>    |       |                       |                           |
| Investment income                                          |       | (44)                  | (2)                       |
| Interest payable                                           |       | 550                   | 579                       |
| (Profit) on sale of fixed assets                           |       | -                     | (5)                       |
| <b>Net cash flow from operating activities</b>             |       | <u><u>1,992</u></u>   | <u><u>3,902</u></u>       |
| <b>Cash flows from investing activities</b>                |       |                       |                           |
| Proceeds from sale of fixed assets                         |       | -                     | 2                         |
| Investment income                                          |       | 44                    | 2                         |
| Payments made to acquire fixed assets                      |       | <u>(1,294)</u>        | <u>(1,509)</u>            |
|                                                            |       | <u><u>(1,250)</u></u> | <u><u>(1,505)</u></u>     |
| <b>Cash flows from financing activities</b>                |       |                       |                           |
| Interest payable                                           |       | (550)                 | (579)                     |
| Repayments of amounts borrowed                             |       | <u>(1,707)</u>        | <u>(436)</u>              |
| Repayments of amounts borrowed                             |       | <u><u>(2,257)</u></u> | <u><u>(1,015)</u></u>     |
| <b>Increase in cash and cash equivalents in the period</b> |       | <u><u>(1,515)</u></u> | <u><u>1,382</u></u>       |
| Cash and cash equivalents at beginning of the period       | 20    | 6,206                 | 4,824                     |
| Cash and cash equivalents at end of the period             | 20    | 4,691                 | 6,206                     |

## 1. Accounting Policies

### Statement of Accounting Policies

The following accounting policies have been applied consistently, in so far as applicable given the basis of preparation adopted, in dealing with items which are considered material in relation to the financial statements.

### Legal Status

Bolton College (Company Number 11198091) is a Designated Institution in Further Education and a company limited by guarantee registered in England and Wales. The Further and Higher Education Act 1992, the College is an exempt charity for the purposes of the Charities Act. The registered office and principal place of business is Deane Road, Bolton, BL3 5BG.

### Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting in Further and Higher Education 2015 (the 2019 FE HE SORP), the Accounts Direction for the 2022 to 2023 financial statements, the Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland" (FRS102) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 and under the going concern basis. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The financial statements are prepared in £ sterling. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

The College primarily meets its day to day working capital requirements through grant funding receivable from the ESFA, along with long-term debt from Barclays Bank plc. The College has a long term loan outstanding of £6.998m with bankers on revised terms from 1 August 2018. Presently the terms are until repayment in 2035.

The financial statements of the company are consolidated in the financial statements of the University of Bolton. These consolidated financial statements are available from Deane Road, Bolton, BL3 5AB.

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of certain assets and liabilities as determined by the relevant accounting standards. The principal accounting standards are set out below:

### Recognition of Income

#### Revenue Grant Funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments. The recurrent grant from HEFCE represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income. Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

## **1. Accounting Policies (continued)**

### **Capital Grant Funding**

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any related conditions being met.

### **Fee Income**

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

### **Investment Income**

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

### **Post-Retirement Benefits**

The pension schemes for the College's staff are the Teachers' Pension Scheme (TPS), and the Greater Manchester Pension Fund (GMPF). The schemes are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. The TPS is valued every four years by the Government Actuary, and the GMPF every three years by the actuaries using the retained age method.

In the case of the TPS, since it is not possible to identify the College's share of the underlying assets and liabilities FRS 102 requires that these schemes are accounted for as defined contribution schemes, with contributions recognised in the year they are paid. In the case of the GMPF the College's share is identifiable and hence the defined benefit pension scheme adjustment under FRS 102 is fully applicable; accordingly, its share in the scheme is fully incorporated in the accounts.

Contributions are paid by the College at the rate specified by the trustees of the schemes. Pension costs are assessed on the latest actuarial valuation of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the employee's services. Variations from regular cost are spread over the expected average remaining lifetime of members of the schemes after making allowances for future withdrawals.

### **Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which the College pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **Multi-employer schemes**

Where the College is unable to identify its share of the underlying assets and liabilities in a multi employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the College has entered into an agreement with such a multi employer scheme that determines how the College will contribute to a deficit recovery plan, the College recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

### **Defined benefit plan**

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the College's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College.

The net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

## 1. Accounting Policies (continued)

The College should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the College engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the College's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 24 to the accounts.

### Short term Employment Benefits

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

### Enhanced Pensions

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

### Intangible Assets

Intangible assets are initially recognised at cost and amortise over useful economic life of no more than 3 years. Adjustments may be made to the asset value should a business combination occur. At each reporting date the College will assess whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. If such indication exists, an impairment loss will be recognised.

### Tangible Fixed Assets

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

## 1. Accounting Policies (continued)

### Land and Buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. As a subsidiary of the University of Bolton, Bolton College has a policy aligned to the University to ensure a full revaluation takes place at least every 5 years such that the fair value is not materially different to the current value. Depreciation and impairment losses are subsequently charged on the revalued amount. Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected economic life to the College of up to 50 years. No depreciation is charged on assets in the course of construction.

### Impairment of Assets

The College has resolved not to impair asset valuations in 2022/23. The company has a policy aligned to the University to ensure a full professional RICs accredited revaluation takes place at least every 5 years. The next review is due at the end of FY 2027/28.

### Equipment

Equipment costing less than £500 per individual item, £250 in the case of IT related equipment, is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic life as follows:

- |                                        |   |                        |
|----------------------------------------|---|------------------------|
| • Furniture and fittings               | - | between 5 and 10 years |
| • Motor vehicles and general equipment | - | between 3 and 10 years |
| • Computer equipment                   | - | between 3 and 10 years |

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

### Borrowing Costs

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

### Financial Instruments

Financial instruments are recognised in the Balance Sheet and are classified as 'basic' in accordance with Chapter 11 of FRS102. All the College's financial instruments are initially measured at transaction price.

### Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the statement of comprehensive income and expenditure. Any lease premiums or incentives are spread over the minimum lease term. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

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

### Inventories

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

### Foreign currency translation

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

## 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 charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature. Since Merger, the College has been in a VAT Group with the University of Bolton.

### **Cash and Cash Equivalents**

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

### **Provisions and Contingent Liabilities**

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

### **Agency arrangements**

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

### **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

#### *Tangible assets*

Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

#### *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit surplus 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, future salary increases, mortality rates and future pension increases. Any changes in these assumptions, which are disclosed in note 24 will impact the carrying amount of the pension liability. Where the actuarial valuations show an asset, the College considers asset ceiling when recognising the asset. The asset ceiling calculation includes making assumptions regarding annuity. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

## 1. Accounting Policies (continued)

### Restatement of Comparative

A prior year adjustment has been made to the financial statements. The prior year adjustment relates to a clawback of 2021-22 Greater Manchester Combined Authority grant funding, totalling £488,000.

The following areas have been adjusted:

| <b>Statement of Comprehensive Income</b> | <b>2022</b> | <b>As restated<br/>2022</b> |
|------------------------------------------|-------------|-----------------------------|
| Funding body grants                      | 24,710      | 24,222                      |
| Surplus / (deficit) for the year         | (1,282)     | (1,770)                     |
| <b>Statement of Changes in Reserves</b>  | <b>2022</b> | <b>As restated<br/>2022</b> |
| Balance at 31 July 2022                  | 13,662      | 13,174                      |
| <b>Balance Sheet</b>                     | <b>2022</b> | <b>As restated<br/>2022</b> |
| Creditors <1 year                        | 8,072       | 8,560                       |
| Income and expenditure account           | 13,662      | 13,174                      |

**Bolton College**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)**

**2 Funding body grants**

|                                                       | <b>Period ended<br/>31 July 2023<br/>£'000</b> | <b>Restated<br/>Period ended<br/>31 July 2022<br/>£'000</b> |
|-------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------|
| <b>Recurrent grants</b>                               |                                                |                                                             |
| Education and Skills Funding Agency - adult           | 5,554                                          | 5,044                                                       |
| Education and Skills Funding Agency – 16-19           | 15,806                                         | 13,678                                                      |
| Education and Skills Funding Agency - apprenticeships | 2,486                                          | 2,544                                                       |
| <b>Special Grants</b>                                 |                                                |                                                             |
| Education and Skills Funding Agency                   | 1,635                                          | 1,388                                                       |
| Releases of government capital grants                 | <u>1,680</u>                                   | <u>1,568</u>                                                |
| <b>Total</b>                                          | <b><u>27,161</u></b>                           | <b><u>24,222</u></b>                                        |

**3 Tuition fees and education contracts**

|                                    | <b>Period ended<br/>31 July 2023<br/>£'000</b> | <b>Period ended<br/>31 July 2022<br/>£'000</b> |
|------------------------------------|------------------------------------------------|------------------------------------------------|
| Adult education fees               | 345                                            | 674                                            |
| Apprenticeship fees and contracts  | 27                                             | 32                                             |
| Fees for FE loan supported courses | 241                                            | 436                                            |
| Fees for HE loan supported courses | <u>272</u>                                     | <u>427</u>                                     |
| <b>Total tuition fees</b>          | <b>885</b>                                     | <b>1,569</b>                                   |
| Education contracts                | <u>1,882</u>                                   | <u>1,467</u>                                   |
| <b>Total</b>                       | <b><u>2,767</u></b>                            | <b><u>3,036</u></b>                            |

**4 Other grants and contracts**

|                            | <b>Period ended<br/>31 July 2023<br/>£'000</b> | <b>Period ended<br/>31 July 2022<br/>£'000</b> |
|----------------------------|------------------------------------------------|------------------------------------------------|
| Other grants and contracts | <u>7</u>                                       | <u>7</u>                                       |
| <b>Total</b>               | <b><u>7</u></b>                                | <b><u>7</u></b>                                |

**Bolton College**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)**

**5 Other income**

|                                    | Period ended<br>31 July 2023<br>£'000 | Period ended<br>31 July 2022<br>£'000 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Catering and residences            | -                                     | -                                     |
| Other income generating activities | 55                                    | 43                                    |
| Other grant income                 | 460                                   | 253                                   |
| Miscellaneous income               | 315                                   | 359                                   |
| <b>Total</b>                       | <b>830</b>                            | <b>655</b>                            |

**6 Investment income**

|                           | Period ended<br>31 July 2023<br>£'000 | Period ended<br>31 July 2022<br>£'000 |
|---------------------------|---------------------------------------|---------------------------------------|
| Other interest receivable | 230                                   | 2                                     |

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 7 Staff costs - College

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

|                    | 2023<br>No. | 2022<br>No. |
|--------------------|-------------|-------------|
| Teaching staff     | 197         | 203         |
| Non teaching staff | 367         | 356         |
|                    | <u>564</u>  | <u>559</u>  |

#### Staff costs for the above persons

|                                  | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------|---------------|---------------|
| Wages and salaries               | 12,923        | 11,975        |
| Social security costs            | 1,073         | 994           |
| Other pension costs              | 2,659         | 2,218         |
| Other pension costs FRS102       | 471           | 2,090         |
| <b>Payroll sub total</b>         | <u>17,126</u> | <u>17,277</u> |
| Contracted out staffing services | 4,224         | 3,040         |
|                                  | <u>21,350</u> | <u>20,317</u> |

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Senior Management Team which comprises the Principal, Deputy Principal and Directors of Curriculum and Support Services of the College. There was no compensation paid to key management personnel for loss of office.

Emoluments of key management personnel, accounting officer and other higher paid staff:

|  | 2023<br>No | 2022<br>No |
|--|------------|------------|
|  | <u>7</u>   | <u>7</u>   |

#### Severance Payments

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

|                     | 2023<br>No | 2022<br>No |
|---------------------|------------|------------|
| £0 - £25,000        | 1          | 1          |
| £25,001 - £50,000   | 1          | 1          |
| £50,001 - £75,000   | 0          | 0          |
| £75,001 - £100,000  | 0          | 0          |
| £100,001 - £150,000 | 0          | 0          |
| £150,000+           | 0          | 0          |

Included in wages and salaries are special severance payments totalling £10,000 (2022: Nil). Individually, the payments were: £10,000.

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 7 Staff costs - College (continued)

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

|                      | Key<br>management<br>personnel<br>2023<br>No. | Key<br>management<br>personnel<br>2022<br>No. |
|----------------------|-----------------------------------------------|-----------------------------------------------|
| £65,001 to £70,000   | -                                             | -                                             |
| £70,001 to £75,000   | -                                             | -                                             |
| £75,001 to £80,000   | 3                                             | 3                                             |
| £80,001 to £85,000   | -                                             | 1                                             |
| £85,001 to £90,000   | 2                                             | 1                                             |
| £90,001 to £95,000   | -                                             | 1                                             |
| £95,001 to £100,000  | 1                                             | -                                             |
| £150,001 to £155,000 | 1                                             | 1                                             |
|                      | <u>7</u>                                      | <u>7</u>                                      |

No other staff other than key management personnel earn remuneration greater than £60,000

Key management personnel compensation is made up as follows:

|                              | 2023<br>£'000     | 2022<br>£'000     |
|------------------------------|-------------------|-------------------|
| Salaries                     | 651               | 624               |
| Employers National Insurance | 87                | 80                |
| Benefits in kind             | -                 | -                 |
|                              | <u>738</u>        | <u>704</u>        |
| Pension contributions        | 148               | 150               |
| <b>Total emoluments</b>      | <u><b>886</b></u> | <u><b>854</b></u> |

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

The above emoluments includes two Senior Postholders.

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 7 Staff costs - College (continued)

##### Senior Post-holders Remuneration

The governing body has adopted AoC's Senior Staff Remuneration Code and will assess pay in line with its principles. The remuneration package of the Accounting Officer is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Accounting Officer reports to the Board of the Governing Body, who undertake an annual review of their performance against the college's overall objectives using both qualitative and quantitative measures of performance.

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

|                                   | 2023<br>£'000 | 2022<br>£'000 |
|-----------------------------------|---------------|---------------|
| Salaries                          | 154           | 151           |
| Benefits in kind                  | -             | -             |
|                                   | <u>154</u>    | <u>151</u>    |
| Pension Contributions - W.Webster | 34            | 34            |
|                                   | <u>34</u>     | <u>34</u>     |

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

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

|                                                                                 | 2023<br>£'000 | 2022<br>£'000 |
|---------------------------------------------------------------------------------|---------------|---------------|
| Principal and CEO's total remuneration as a multiple of the median of all staff | 5.3           | 4.9           |
| Principal's basic salary as a multiple of the median of all staff               | 5.1           | 4.7           |

**Bolton College**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)**

**8 Other operating expenses**

|                    | Period<br>ended 31<br>July 2023 | Period ended<br>31 July 2022 |
|--------------------|---------------------------------|------------------------------|
|                    | £'000                           | £'000                        |
| Teaching costs     | 866                             | 925                          |
| Non teaching costs | 4,264                           | 3,771                        |
| Premises costs     | 2,254                           | 1,190                        |
|                    | <u>7,384</u>                    | <u>5,886</u>                 |

**Other operating expenses include:**

|                                                              | Period<br>ended 31<br>July 2023 | Period ended<br>31 July 2022 |
|--------------------------------------------------------------|---------------------------------|------------------------------|
|                                                              | £'000                           | £'000                        |
| Auditors' remuneration:                                      |                                 |                              |
| Financial statements audit                                   | 30                              | 30                           |
| Other Services from external auditors:                       |                                 |                              |
| All other assurance services                                 | -                               | -                            |
| Internal audit                                               | 25                              | 28                           |
| Other services provided by the financial statements auditors |                                 |                              |
| Other services provided by the internal auditors             | -                               | -                            |
| Hire of assets under operating leases                        | 62                              | 107                          |
| Debts written off and losses incurred                        | 19                              | 14                           |

All debts written off and losses incurred in both the current and previous year were less than £5,000.

**9 Interest payable**

|                                                  | 2023<br>£'000 | 2022<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| On bank loans, overdrafts and other loans:       | <u>550</u>    | <u>579</u>    |
|                                                  | 550           | 579           |
| Interest on enhanced pension provision (note 19) | -             | -             |
| Pension finance costs (note 24)                  | <u>-</u>      | <u>258</u>    |
| <b>Total</b>                                     | <u>550</u>    | <u>837</u>    |

**10 Taxation**

|                                | 2023<br>£'000 | 2022<br>£'000 |
|--------------------------------|---------------|---------------|
| United Kingdom Corporation Tax | <u>-</u>      | <u>-</u>      |

The College is an exempt charity and therefore outside the scope of corporation tax on its charitable activities.

**Bolton College**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)**

**11 Intangible Fixed Assets**

|                       | 2023<br>£'000 | 2022<br>£'000 |
|-----------------------|---------------|---------------|
| <b>Cost</b>           |               |               |
| At 1 August           | 810           | 527           |
| Additions             | -             | 283           |
| At 31 July            | <u>810</u>    | <u>810</u>    |
| <b>Amortisation</b>   |               |               |
| At 1 August           | 344           | 169           |
| Amortised in year     | 219           | 175           |
| At 31 July            | <u>563</u>    | <u>344</u>    |
| <b>NBV at 31 July</b> | <u>247</u>    | <u>466</u>    |

The College has created an Intangible Asset - having significantly invested in the development of a pioneering Chatbot called Ada. With ambitions to commercialise Ada, the College has signed a NDA with a multi-national PLC to develop and market Ada further within all spheres of Education nationally and internationally. Ada earned a top prize for the most effective use of technology at the AOC Beacon Awards in March 2019. Bolton College is one of the first UK colleges to have introduced a Chatbot which uses artificial intelligence to answer more than 1,000 queries each day from students and staff. Ada has increased learner retention, reduced teacher workload and bureaucracy, increased mental wellbeing and enhanced support for visually impaired students.

**12 Tangible Fixed Assets**

|                                       | Assets under<br>Construction | Land and<br>buildings | Equipment    | Total         |
|---------------------------------------|------------------------------|-----------------------|--------------|---------------|
|                                       | £'000                        | £'000                 | £'000        | £'000         |
| <b>Cost or valuation</b>              |                              |                       |              |               |
| At 1 August 2022                      | 246                          | 53,420                | 4,676        | 58,342        |
| Additions                             | 56                           | -                     | 1,098        | 1,154         |
| Transfer                              | -                            | (672)                 | -            | (672)         |
| Revaluation                           | -                            | 9,384                 | -            | 9,384         |
| <b>At 31 July 2023</b>                | <u>302</u>                   | <u>62,132</u>         | <u>5,774</u> | <u>68,208</u> |
| <b>Depreciation and impairment</b>    |                              |                       |              |               |
| At 1 August 2022                      | -                            | 6,195                 | 2,147        | 8,342         |
| Charge for the year                   | -                            | 1,819                 | 739          | 2,558         |
| Transfer                              | -                            | (672)                 | -            | (672)         |
| Revaluation                           | -                            | (6,922)               | -            | (6,922)       |
| <b>At 31 July 2023</b>                | <u>-</u>                     | <u>420</u>            | <u>2,886</u> | <u>3,306</u>  |
| <b>Net book value at 31 July 2023</b> | <u>302</u>                   | <u>61,712</u>         | <u>2,888</u> | <u>64,902</u> |
| <b>Net book value at 31 July 2022</b> | <u>246</u>                   | <u>47,225</u>         | <u>2,529</u> | <u>50,000</u> |

Tangible Assets were revalued as at 31 July 2023 - with Land valued at £2,111k and Buildings at £57,753k. The impairment reversal released to the Income Statement was £202k. The impairment charged to Other Comprehensive Income was £166k and net surplus on revaluation was £16,271k. The valuation was carried out by William Ray MRICS RICS on 31st July 2023. The assets were valued on a Depreciated Replacement Cost basis, the standard approach for this type of property which is not traded on the open market.

Included within land and buildings are leasehold land and buildings with a cost £2,268k (2022: £2,268k), depreciation £420k (2022: £336k) and carrying value £1,848k (2022: £1,932k). The remaining element relates entirely to freehold land and buildings.

If revalued land and buildings were stated on an historical cost basis, rather than a fair value basis, the total amounts would be as follows: Cost £49,406k (2022 £49,406k), depreciation £8,426k (2022: £6,927k), and carrying value £40,980 (2022: £42,479k).

Freehold land and buildings with a carrying value of £59,864k (2022: £45,293k) have been used as security for bank loans.

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 13 Trade and other receivables

|                                             | Period ended<br>31 July 2023<br>£'000 | Period ended<br>31 July 2022<br>£'000 |
|---------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Amounts falling due within one year:</b> |                                       |                                       |
| Trade receivables                           | 676                                   | 923                                   |
| Prepayments and accrued income              | 583                                   | 497                                   |
| Other debtors                               | 2                                     | 2                                     |
| Amounts owed by the ESFA                    | 204                                   | 105                                   |
| Amounts owed by University of Bolton        | -                                     | -                                     |
| <b>Total</b>                                | <b>1,465</b>                          | <b>1,527</b>                          |
| <b>Amounts falling due after one year:</b>  |                                       |                                       |
| Other debtors                               | -                                     | -                                     |
| <b>Total</b>                                | <b>1,465</b>                          | <b>1,527</b>                          |

#### 14 Current investments

|                        | Period ended<br>31 July 2023<br>£'000 | Period ended<br>31 July 2022<br>£'000 |
|------------------------|---------------------------------------|---------------------------------------|
| Trust Fund Investments | 1                                     | 1                                     |

Trust fund investments relate to investments held in trust to provide annual prizes for students.

#### 15 Creditors: amounts falling due within one year

|                                             | 2023<br>£'000 | <i>Restated</i><br>2022<br>£'000 |
|---------------------------------------------|---------------|----------------------------------|
| Bank loans (note 18)                        | 381           | 1,707                            |
| Trade payables                              | 563           | 27                               |
| Fixed Asset Creditor                        | 88            | 229                              |
| Other taxation and social security          | 228           | 192                              |
| Accruals and deferred income                | 3,373         | 2,524                            |
| Deferred income - government capital grants | 1,683         | 1,579                            |
| Amounts owed to GMCA                        | -             | 488                              |
| Amounts owed to the ESFA                    | 1,533         | 1,752                            |
| Amounts owed to University of Bolton        | 35            | 62                               |
| <b>Total</b>                                | <b>7,884</b>  | <b>8,560</b>                     |

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 16 Creditors: amounts falling due after one year

|                                             | 2023<br>£'000 | 2022<br>£'000 |
|---------------------------------------------|---------------|---------------|
| Bank loans (note 18)                        | 6,617         | 6,998         |
| Deferred income - government capital grants | 31,294        | 32,452        |
| <b>Total</b>                                | <b>37,911</b> | <b>39,450</b> |

#### 17 Financial Assets and Liabilities

|                                                  | 2023<br>£'000 | <i>Restated</i><br>2022<br>£'000 |
|--------------------------------------------------|---------------|----------------------------------|
| Financial Assets measured at amortised cost      | 5,572         | 7,237                            |
| Financial Liabilities measured at amortised cost | 10,143        | 12,916                           |

Financial assets measured at amortised costs comprise cash and cash equivalents and trade receivables, other debtors and amounts due from the ESFA.

Financial liabilities measured at amortised cost comprise bank loans, trade and other creditors, accruals and amounts due to the ESFA.

#### 18 Maturity of debt

##### Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

|                            | Period ended<br>31 July 2023<br>£'000 | Period ended<br>31 July 2022<br>£'000 |
|----------------------------|---------------------------------------|---------------------------------------|
| In one year or less        | 381                                   | 1,707                                 |
| Between one and two years  | 409                                   | 381                                   |
| Between two and five years | 1,408                                 | 1,317                                 |
| In five years or more      | 4,800                                 | 5,300                                 |
| <b>Total</b>               | <b>6,998</b>                          | <b>8,705</b>                          |

The College had two loan facilities with Barclays to finance the Deane Road Campus buildings. Facility A incurs interest at a rate of 5.35% + 2.00% margin. Facility B incurs interest at BOE Base Rate + 1.5% margin. Loan facility B was repaid with a final balloon payment of £1,334k on 23 November 2022. The remaining loan is secured by a charge over the Deane Road site, and a parental guarantee by the University of Bolton. Loan facility A is repayable by instalments with the final repayment in 2035.

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 19 Provisions

|                                         | Enhanced<br>pensions | Other           | Total               |
|-----------------------------------------|----------------------|-----------------|---------------------|
|                                         | £'000                | £'000           | £'000               |
| At 1 August 2022                        | 2,623                | -               | 2,623               |
| Expenditure in the period               | (224)                | -               | (224)               |
| Transferred from income and expenditure | (19)                 | -               | (19)                |
| <b>At 31 July 2023</b>                  | <b><u>2,380</u></b>  | <b><u>-</u></b> | <b><u>2,380</u></b> |

The enhanced pension provision relates to the cost of staff who have already left the College's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

|                 | 2023  | 2022  |
|-----------------|-------|-------|
| Price inflation | 2.90% | 2.85% |
| Discount rate   | 3.30% | 1.60% |

#### 20 Cash and cash equivalents

|                           | At 1 August<br>2022 | Cash flows            | Other<br>changes | At 31 July<br>2023  |
|---------------------------|---------------------|-----------------------|------------------|---------------------|
|                           | £'000               | £'000                 | £'000            | £'000               |
| Cash and cash equivalents | 6,206               | (1,515)               | -                | 4,691               |
| Overdrafts                | -                   | -                     | -                | -                   |
| <b>Total</b>              | <b><u>6,206</u></b> | <b><u>(1,515)</u></b> | <b><u>-</u></b>  | <b><u>4,691</u></b> |

#### 21 Capital commitments

|                                       | 2023<br>£'000 | 2022<br>£'000 |
|---------------------------------------|---------------|---------------|
| Commitments contracted for at 31 July | <u>-</u>      | <u>-</u>      |

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 22 Lease Obligations

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

|                                                   | 2023<br>£'000 | 2022<br>£'000 |
|---------------------------------------------------|---------------|---------------|
| Not later than one year                           | 59            | 101           |
| Later than one year and not later than five years | 87            | 271           |
| Later than five years                             | -             | 7             |
|                                                   | <u>146</u>    | <u>379</u>    |

#### 23 Contingent liabilities

At the time of signing the accounts there are no contingent liabilities.

**Bolton College**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)**

**24 Defined benefit obligations**

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

| Total pension cost for the period                            | 2023<br>£'000       | 2022<br>£'000       |
|--------------------------------------------------------------|---------------------|---------------------|
| Teachers Pension Scheme: contributions paid                  |                     |                     |
| Contributions paid                                           | 1,439               | 1,319               |
| FRS 102 (28) charge                                          | <u>471</u>          | <u>2,090</u>        |
| Charge to the Statement of Comprehensive Income              | 1,910               | 3,409               |
| Enhanced pension charge to Statement of Comprehensive Income | -                   | -                   |
| <b>Total Pension Cost for Period</b>                         | <b><u>1,910</u></b> | <b><u>3,409</u></b> |

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

Contributions amounting to £Nil (2022: £Nil) were payable to the scheme and are included in creditors.

**Teachers' Pension Scheme**

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) on 27 October 2023. The key results of the valuation are:

- An increased Employer Contribution Rate – where employer contributions will be increasing by 5% to 28.6% of pensionable pay next April 2024. A levy of 0.08% of pensionable pay is also payable by employers in order to meet the cost of administering the scheme;
- No changes to individual employee contributions – this means members will continue to pay the same % into their pension scheme for 2023/24, with employee contributions staying the same until 1 April 2025.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion giving a notional past service deficit of £39.8 billion;
- the rate of real earnings growth is assumed to be 0.4% above CPI.

The new employer contribution rate for the TPS was implemented on 1 April 2024. The cost has been met by the DfE, with the Colleges receiving an ESFA grant to cover the cost. This support is expected to continue on an ongoing basis.

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

The pension costs paid to TPS in the period amounted to £1,660k.

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 24 Defined benefit obligations (continued)

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Tameside Metropolitan Borough Council. The total contribution made for the period ended 31 July 2023 was £1,836,000 of which employer's contributions totalled £1,439,000 and employees' contributions totalled £397,000. The agreed contribution rates for future years are 21.6% for employers and range from 5.5% to 7.5% cent for employees, depending on salary.

##### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary

|                                                      | At 31 July<br>2023 | At 31 July<br>2022 |
|------------------------------------------------------|--------------------|--------------------|
| Rate of increase in salaries                         | 3.80%              | 3.50%              |
| Future pensions increases                            | 3.00%              | 2.75%              |
| Discount rate for scheme liabilities                 | 5.05%              | 3.50%              |
| Inflation assumption (CPI)                           | 2.75%              | 2.75%              |
| Commutation of pensions to lump sums Pre April 2008  | 55%                | 55%                |
| Commutation of pensions to lump sums Post April 2008 | 60%                | 60%                |

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

|                             | At 31 July<br>2023<br>years | At 31 July<br>2022<br>years |
|-----------------------------|-----------------------------|-----------------------------|
| <i>Retiring today</i>       |                             |                             |
| Males                       | 20.4                        | 20.3                        |
| Females                     | 23.2                        | 23.2                        |
| <i>Retiring in 20 years</i> |                             |                             |
| Males                       | 21.1                        | 21.6                        |
| Females                     | 24.7                        | 25.1                        |

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

|          | Fair value<br>at 31 July<br>2023 £'000 | Fair value<br>at 31 July<br>2022 £'000 |
|----------|----------------------------------------|----------------------------------------|
| Equities | 71% 37,070                             | 68% 35,061                             |
| Bonds    | 14% 7,310                              | 13% 6,703                              |
| Property | 8% 4,177                               | 9% 4,641                               |
| Cash     | 7% 3,655                               | 10% 5,156                              |
|          | <u>52,211</u>                          | <u>51,561</u>                          |

**Bolton College**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)**

**24 Defined benefit obligations (continued)**

**Local Government Pension Scheme (Continued)**

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

|                                         | 2023<br>£'000 | 2022<br>£'000 |
|-----------------------------------------|---------------|---------------|
| Fair value of plan assets               | 40,365        | 51,561        |
| Present value of plan liabilities       | (40,365)      | (46,015)      |
| Present value of unfunded liabilities   | -             | -             |
| <b>Net pensions asset / (liability)</b> | <b>-</b>      | <b>5,546</b>  |

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

|                                        | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------------|---------------|---------------|
| <b>Amounts included in staff costs</b> |               |               |
| Current service cost                   | 1,910         | 3,398         |
| Past service cost                      | -             | 11            |
|                                        | <b>1,910</b>  | <b>3,409</b>  |
| <br>Finance Cost                       | <br>(186)     | <br>258       |
|                                        | <b>(186)</b>  | <b>258</b>    |

**Amounts recognised in Other Comprehensive Income**

|                                                                         |                |               |
|-------------------------------------------------------------------------|----------------|---------------|
| Return on pension plan assets                                           | (823)          | 444           |
| Other Experience                                                        | (5,007)        | (132)         |
| Changes in assumptions underlying the present value of plan liabilities | 12,415         | 22,702        |
| Asset ceiling                                                           | (11,846)       | -             |
| <b>Amount recognised in Other Comprehensive Income</b>                  | <b>(5,261)</b> | <b>23,014</b> |

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 24 Defined benefit obligations (continued)

##### Local Government Pension Scheme (Continued)

##### Movement in net defined benefit liability during the period

|                                                  | 2023<br>£'000 | 2022<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| Surplus/(deficit) in scheme at 1 August          | 5,546         | (15,120)      |
| Movement in year:                                |               |               |
| Transfer of Pension Liabilities at 1 August 2018 | -             | -             |
| Current service cost                             | (1,910)       | (3,398)       |
| Employer contributions                           | 1,439         | 1,319         |
| Past service cost                                | -             | (11)          |
| Net interest income on plan assets               | 186           | -             |
| Net interest on the defined liability            | -             | (258)         |
| Actuarial gain or (loss)                         | 6,585         | 23,014        |
| Asset ceiling                                    | (11,846)      | -             |
| <b>Net defined benefit surplus at 31 July</b>    | <b>-</b>      | <b>5,546</b>  |

##### Asset and Liability Reconciliation

|                                                                    | 2023<br>£'000 | 2022<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| <b>Changes in the present value of defined benefit obligations</b> |               |               |
| Defined benefit obligations at start of period                     | 46,015        | 65,118        |
| Transfer in of scheme obligations at 1 August 2018                 | -             | -             |
| Current Service cost                                               | 1,910         | 3,398         |
| Interest cost                                                      | 1,624         | 1,060         |
| Contributions by Scheme participants                               | 397           | 359           |
| Changes in Demographic Assumptions                                 | (1,575)       | (286)         |
| Changes in financial assumptions                                   | (10,840)      | (22,416)      |
| Estimated benefits paid                                            | (1,474)       | (1,361)       |
| Past Service cost                                                  | -             | 11            |
| Other Experience                                                   | 4,308         | 132           |
| <b>Defined benefit obligations at end of period</b>                | <b>40,365</b> | <b>46,015</b> |

##### Reconciliation of Assets

|                                                    | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------------------------|---------------|---------------|
| Fair value of plan assets at start of period       | 51,561        | 49,998        |
| Transfer in of scheme obligations at 1 August 2018 | -             | -             |
| Interest on plan assets                            | 1,810         | 802           |
| Return on plan assets                              | (823)         | 444           |
| Employer contributions                             | 1,439         | 1,319         |
| Contributions by Scheme participants               | 397           | 359           |
| Estimated benefits paid                            | (1,474)       | (1,361)       |
| Other Experience                                   | (699)         | -             |
| Asset ceiling                                      | (11,846)      | -             |
| <b>Assets at end of period</b>                     | <b>40,365</b> | <b>51,561</b> |

## Bolton College

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023 (continued)

#### 25 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the period was £Nil. No Governor has received any remuneration or waived payments from the College or its subsidiaries during the period.

Pennine Telecom Limited - a company in which Dr A J Roberts, Chair is Managing Director. Transactions totalling £35,498 (2022: £28,608) relating to the maintenance of IT infrastructure. An amount of £671 (2022: £644) was outstanding at the period end.

Alliance Learning Training Limited - a company in which Dr K R Kandadi is a Director. Transactions totalling £52,500 income and £2,168 expenditure (2022: £46,736 income and £6,900 expenditure) relating to apprenticeship training. There were no amounts outstanding at year end (2022: £28,041 debtor and £1,800 creditor).

Greater Manchester Learning Provider Network - a company in which Mr A Fawcett, Vice-Chair is an employee. Transaction totalling £540 relating to membership subscription. There were no amounts outstanding at the period end.

The University of Bolton - Parent Company. Transactions totalling £300,168 income and £265,621 expenditure (2022: £467,204 income and £119,451 expenditure). At the year end £25,128 debtor and £38,119 creditor (2022: £491,562 debtor) were outstanding at year end.

#### 26 Amounts disbursed as agent

##### Learner support funds

|                                                      | 2023<br>£'000    | 2022<br>£'000     |
|------------------------------------------------------|------------------|-------------------|
| Funding body grants                                  | 547              | 519               |
| Supplementary LSF awarded in year                    |                  |                   |
| Other Funding body grants                            |                  |                   |
| Interest earned                                      | <u>547</u>       | <u>519</u>        |
| Disbursed to students                                | (484)            | (286)             |
| Disbursed to employers                               |                  |                   |
| Administration costs                                 | (20)             | (22)              |
| Balance unspent as at 31 July, included in creditors | <u><u>43</u></u> | <u><u>211</u></u> |

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

#### 27 Ultimate Parent Company

Bolton College is a subsidiary of the University of Bolton by way of control. The University of Bolton is the Ultimate Parent Entity and incorporate Bolton College in its consolidated financial statements. A copy of these financial statements can be obtained from Deane Road Campus, Bolton.