

Report and Financial Statements for the Year Ended 31 July 2024



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WEST THAMES COLLEGE

KEY MANAGEMENT PERSONNEL, MEMBERS OF THE CORPORATION AND PROFESSIONAL ADVISERS

Key Management Personnel

Key Management Personnel are defined as members of the Corporation together with the members of the College Executive Team which was represented by the following in 2023-24:

Tracy Aust, CEO and Principal; Accounting Officer

Marta Gajewska-Kopczyk, Vice Principal – Curriculum, Quality & Student Experience

Mark Cooper, Executive Director – Finance, HR & Development

Michael Michaelides, Executive Director – Resources & Student Experience (01/08/2023 to 30/09/2023)

Terry Stevens, Executive Director – Resources (19/02/2024 to 31/07/2024)

Members of the Corporation

A full list of Members is given on page 12 of these financial statements.

Clerk to the Corporation

Karen Frost, Head of Governance

Professional advisers

Financial statements auditor and reporting accountants

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditor

Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

Bankers

Barclays plc
1 Churchill Place
London
E14 5HP

Lloyds Commercial Banking Group Plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Mills & Reeve LLP
24 King William Street
London
EC4R 9AT

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Contents

Report of the Members of the Corporation	1-11
Statement of Corporate Governance and Internal Control	12-19
Statement of Regularity, Propriety and Compliance	20
Statement of the Responsibilities of the Members of the Corporation	21
Independent Auditor's Report to the Corporation of West Thames College	22-24
Reporting Accountant's Assurance Report on Regularity	25-26
Statement of Comprehensive Income and Expenditure	27
Statement of Changes in Reserves	28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the Financial Statements	31-48

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WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024

OBJECTIVES AND STRATEGY

The members present their annual report together with the financial statements and auditor's report for West Thames College for the year ended 31 July 2024.

Legal status

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

Vision, values and principles

The College's vision, values and principles were agreed after a six-month College-wide consultation process and are subject to regular review to ensure they continue to meet requirements. All College managers are expected to demonstrate these values and principles through their leadership and management with the support of all members of staff. The College's vision, as approved by its members, is as follows:

West Thames will be a vibrant college, inspiring all our learners to fulfil their dreams and ambitions. Our outstanding education and training will contribute to a prosperous and cohesive community.

Underpinning this vision are our four shared values and beliefs of:

- Integrity
- Excellence
- Equality
- Respect

Resources

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

The College employed 255 people (expressed as an average headcount) during 2023-24, of whom 99 were teaching staff.

The College enrolled approximately 5,300 (2022-23: 5,200) students. The College's student population included approximately 1,730 16-to-18-year-olds, 120 under-16s, 80 higher education students, 70 apprentices and 3,300 adult learners.

Excluding the pension asset of £nil (2022-23: liability of £1k) the College has net assets of £13,623k (2022-23: £12,772k) and long-term debt of £6,236k. The College has £4,961k (2022-23: £4,577k) of net current assets.

Tangible resources include the main College site in London Road, Isleworth and a leasehold site, the Skills + Logistics Centre in Boundaries Road, Feltham.

The College has one wholly-owned subsidiary company, Logistics Skills Alliance Limited, which is a company limited by guarantee. It has been dormant since its incorporation in March 2013.

The College has a good reputation locally and regionally. In its last Ofsted inspection in October 2021, the College was rated 'Good' for overall effectiveness whilst behaviour and attitudes received an 'Outstanding' grade. Maintaining a quality brand is essential for the College's success in attracting students and expanding external relationships.

Stakeholders

The College has many stakeholders including:

- Current, future and past students
- Staff and their trade unions
- Local community groups and residents
- Co-located partner organisations
- Partner schools, FE and HE institutions
- Local authorities, particularly the London Borough of Hounslow
- Employers
- West London Chambers of Commerce

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

- West London Business
- The Greater London Authority (GLA)
- Education sector funding agencies (ESFA and OfS)
- The FE Commissioner

The College recognises the importance of these relationships and engages in regular communication with stakeholders through the College internet site, bulletin publications and through various meetings and forums.

Public Benefit

West Thames College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on page 12.

In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to approximately 5,300 students, including around 240 students with high needs:

- High-quality teaching
- A highly inclusive and responsive curriculum offer which aligns with local and regional priorities, supporting the diverse communities which we serve
- Links with employers, industry and commerce
- Excellent employment record for students
- Widening participation and tackling social exclusion
- Strong student support systems

The College provides courses without charge to young people, to those who are unemployed or low-waged and adults taking courses in English, maths and essential digital skills. The College adjusts its courses to meet the needs of local employers and provides training to approximately 70 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Implementation of strategic plan

In July 2010 the Corporation agreed three long-term strategic goals which have been reviewed regularly and are retained as still current. The strategic goals are:

- To provide an **OUTSTANDING** learning experience for all our learners
- To be **INNOVATIVE** and **RESPONSIVE** to current and future needs
- To provide an **EXCELLENT** environment and resources

The College's 3-year strategic plan sets out specific annual objectives that are agreed by the Corporation and circulated to all staff. The College's specific development objectives for 2023-23 and achievement of those objectives are addressed below. In summary, of the 15 objectives under goals 1, 2 and 3 of the 2023-24 Development Plan, seven were fully met and eight were partially met.

Goal 1: To provide an **OUTSTANDING** learning experience for all our learners

All of the five objectives from goal 1 were fully or partially met.

- Curriculum intent was strengthened through consistent application of the curriculum planning process to focus on developing skills and knowledge which reflect the needs of the local, regional and national context, enabling students to succeed in their next steps. Curriculum sequencing was evaluated through the process of deep dives.
- The quality of all students' learning experience was further improved through targeted CPD and CILT activities, strategies for developing creativity and innovation in teaching and the process of Learning Walks.
- Consistent implementation of robust tracking systems, including focus on 'Notice to Improve' and 'Special Measures' courses identified through the self-assessment review (SAR) process, and early interventions

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

through 16-19 Tuition Fund, helped maintain high achievement rates and high grades. Further work is required to improve the proportion of GCSE high grades.

- High levels of attendance were maintained through consistent implementation of the attendance strategy and use of attendance toolkit.
- Our flexible, age-appropriate curriculum was further developed to meet local community needs; extensively promote the personal development of students beyond the academic/vocational and provide exceptional opportunities for all students to develop their interests and talents.

Goal 2: To be INNOVATIVE and RESPONSIVE to current and future needs of our communities

All of the four objectives from goal 2 were fully or partially met.

- Existing employer partnerships were strengthened and new partnership opportunities developed to address local and regional skills, training and employment needs in growth sectors aligned to our College vision. Some curriculum areas require further development of new work placement providers.
- Contribution of students continued to improve through further development and monitoring of the Student Voice strategy, working collaboratively with curriculum, student course representatives, executive groups and governors.
- In-year recruitment and enrolment activities secured the growth in student numbers required to exceed the core 16-19 funding allocation.
- There was some expansion of the curriculum offer in growth sectors; new flexible courses for adults at higher levels to support the Government's agenda for economic recovery and continued T Level and Foundation provision. In 2024-25, we will refocus efforts to grow Apprenticeship provision in priority sectors.

Goal 3: To provide an EXCELLENT environment and resources

All of the six objectives were fully or partially met.

- The College delivered a targeted CPD programme to meet current and future needs and continue the drive towards outstanding leadership and management aimed at creating a highly-skilled workforce.
- The strategic focus on ensuring a healthy, happy workforce continued, driven through the Health & Wellbeing Action Plan and the Health & Wellbeing Committee.
- The College workforce broadly reflects the diversity of our student population and that of the local community; the mean gender pay gap target was met and the 'Disability Confident Employer' accreditation was renewed.
- Financial targets to ensure sustainability, solvency and growth were nearly all met or exceeded, building on the stable financial position established previously.
- The College's property strategy was implemented to achieve capital improvements; support development of a high-quality learning environment in line with curriculum and e-Learning strategies, and maximise utilisation of the estate through community engagement and partnership working. Targets for workplace utilisation and commercial income were met. Further progress with capital grant funded projects to improve building condition is required in 2024-25.
- Progress was made with delivery of objectives outlined in the College's sustainability strategy to reduce adverse environmental impact and cost but further improvement is required to fully meet targets.

Student achievements

Students continue to prosper at the College. Achievement rates remained high in 2023-24 preserving the consistently strong position that the College has held in recent years.

Overall

The 2023-24 overall achievement rate for classroom-based education and training is 90.7%, which is more than six percentage points above the National Rate of 84.2%.

16-18

The 2023-24 overall achievement rate of 88.8% is seven percentage points above the National Rate of 81.7%.

Adult

The 2023-24 overall achievement rate of 91.6% is nearly five percentage points higher than the National Rate of 87.0%.

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

Apprenticeships

The 2023-24 overall achievement rate of 56.3% (based on 32 leavers) increased by 20 percentage points compared with the previous year but was below the National Rate of 57.8%.

English and maths

GCSE English achievement of 89% with 33.2% of students achieving high grades (grades 4-9) compared with the National Rate of 19.3%. GCSE maths achievement of 91% with 38.2% of students achieving high grades compared with the National Rate of 15%.

Destinations

The College secured 93% positive destinations for students.

Curriculum Development

The College has a highly inclusive curriculum which offers breadth and depth, providing clear progression pathways and meets the diverse needs of the communities we serve. The curriculum offer ranges from pre-entry to higher education. The curriculum is informed by local need, including local and regional economic data.

The College has excellent partnerships resulting in a highly inclusive and responsive offer which aligns with local and regional priorities. Examples of key partnerships are detailed below.

- A highly successful and responsive curriculum offer in conjunction with Ambitious about Autism (AaA), a co-located partner, enabling students with autism to access an appropriate College vocational curriculum. West Thames has been awarded the Ambitious College Community Partner.
- Co-location of The Rise Sixth Form (part of AaA) at the Isleworth Campus, enabling 16- to 18-year-olds with autism to access the College curriculum.
- A 14-16 Alternative Provision Offer commissioned by the local authority and local schools. The Trading Places and Freshstart programmes provide personalised programmes for students who have been or are at risk of exclusion.
- A 14-16 ESOL programme offered in direct response to local need and commissioned by the local authority and local schools. The programme caters for year 11 students with ESOL needs in the borough and has expanded over the last few years to meet increasing demand.
- Project Search – a highly successful supported internship programme working with London Marriott Hotel Twickenham, Thorpe Park, and the London Borough of Hounslow.
- Brentford FC Community Sports Trust – our long-standing partnership with Brentford Football Club continues to be successful and grew last year to over 60 students studying this bespoke course provision leading to either a Level 3 BTEC Extended Diploma in Sport or Level 2 NCFE Diploma in Sport.
- Logistics Skills Alliance – bringing together employers and providers from the logistics sector to meet identified skills shortages in this priority area and deliver a successful logistics offer, supporting JCP claimants into employment with high achievement and progression rates.
- A highly responsive adult offer working closely with Jobcentre Plus (JCP) to provide bespoke provision for hard-to-reach claimants (many with ESOL needs) which supports their progress to employment.
- The Youth Hub – a partnership with Hounslow JCP and DWP, supporting the national economic recovery agenda. The programme supports up to 100 local residents aged 18-24, providing impartial advice and guidance, training opportunities, information and assistance with local job vacancies, apprenticeship opportunities and access to local employers.
- Bespoke apprenticeships designed with employers, with a strong focus on the logistics sector and the identified priority areas for West London (as detailed in the West London Build and Recover Plan and *One Hounslow*) alongside provision to meet specific local employer need.
- Working with London Borough of Hounslow, West London Business and other consortium members in the development of the *Great West Creatives Enterprise Zone* for Hounslow, the College sits on the consortium and the Employment and Skills Working group.
- Close working with a range of HE partners including University of Canterbury Christchurch, University of West London and St Mary's University.
- HE/FE Collaboration in West London – FE colleges and HE institutions across West London set up a structure to work together to support the education, training and skills agenda, influenced largely by economic recovery. The Steering Group is co- chaired by the Principal of West Thames and the Vice-Chancellor of Brunel, alongside the Head of Skills & Employment in the West London Alliance and the CEO of West London Business. The Steering Group working with their FE/HE partners identified 4 key sectors of work to collaborate on in line with local, regional and sub-regional needs and operational groups were formed covering Health & Care; Green Skills; the Creative sector and Digital Skills. The groups have been running for over two years and have secured funding and delivered a number of successful collaborative projects including the creation of three skills academies in Health, Creative and Green Skills.
- Collaborative working on Local Skills Improvement Fund (LSIF) bids to secure project funding for delivery in priority sectors of Creative, Logistics and Health to meet local and sub-regional need as identified in the Local Skills Improvement Plan (LSIP) for West London.

Future prospects

The College continues to be well placed within the local community and within the region and is part of several key strategic groups which provide opportunities to share information and work with local and regional partners. The College will continue to extend this partnership work whilst focussing on supporting economic recovery by responding to national, regional and local priorities, for example, through alignment to the London Recovery Plan. This will include up-skilling and re-skilling the unemployed, implementing strategies to tackle youth unemployment, addressing skills gaps and by re-positioning parts of our curriculum offer to provide appropriate training and education in the priority and growth sectors (digital, green skills, construction, logistics, health and care, and the creative and cultural sectors).

Other priorities for 2024-25 and beyond include:

- To continue to provide a responsive and flexible curriculum offer which meets the diverse needs of the communities we serve and delivers on priorities set out in the Skills and Post-16 Education Act and in the London LSIP.
- To clearly meet the skills needs of employers in our community and to prepare West London residents to be able to take advantage of the employment opportunities available.
- Growth of a distinct provision for 16-18 year olds based around programmes of study.
- Curriculum reform including growth of T Levels and T Level foundation programmes, and building the College's capacity and capability to deliver substantive work placements for level 2 and 3 students.
- Delivery of a distinct adult offer which is flexible and which focuses on the higher levels (3-5) as well as our level 2 and below offer which meets employer needs.
- Launch of the West London Logistics Hub as a direct response to skills needs in this priority sector.
- Utilisation of LSIF to fund resources and new curriculum provision in priority sectors of Creative and Health responding directly to local and regional needs.
- To respond to the Mayoral skills priorities, such as continued delivery of essential digital skills as a core skill alongside English and maths.
- Continued close working with a range of Employer Advisory Board partners to advise on curriculum development, course design and relevance.
- Development of JCP and DWP partnerships to extend delivery of provision that supports the national economic recovery agenda, such as the Youth Hub, the Skills Response Fund and Sector-based Work Academy Programmes (SWAPs)
- Growth in SEND – development of independence and employability hubs in conjunction with the Local Authority
- Commitment to participation in the London Borough of Hounslow's Youth Skills & Employment Guarantee (YSEG)
- Continued HE/FE collaboration in West London focussing on the four key works sectors of:
 - Health & Care
 - Green skills
 - Creative and cultural sector
 - Digital skills
- To achieve a 'Good' or 'Outstanding' financial health grade and to attain or exceed financial benchmarks published by the FE Commissioner and ESFA.

Our three main strategic goals continue to reflect these priorities.

Financial objectives

The College's continuing financial objectives are to manage and allocate resources so as to achieve its aims:

- To ensure sustainability, solvency and growth for the College by building on the current stable financial position by:
 - Consistently budgeting for an operating surplus that is at least in line with the recommended target for the sector and successfully delivering the budget
 - Delivering strong EBITDA
 - Maintaining positive cash flow and improving net cash generation
 - Sustaining healthy cash reserves at a level well above the sector median
 - Ensuring continued manageable borrowing levels and comfortable debt servicing
 - Controlling expenditure and maintaining staff costs as a percentage of income at levels broadly in line with sector averages.
- To ensure the College has the capacity and financial resources to deliver quality improvements required and that capital expenditure enables the strategic direction.
- To make curriculum planning central to the College's budget-setting process so that this delivers the College's objectives and is realistic, flexible, transparent, inclusive and clearly communicated to management and staff.

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

- To identify and incorporate financial challenges in the College's development plan and risk register, ensuring pre-emptive action, effective monitoring and reporting of performance against targets is in place.
- To maintain and develop robust processes for risk management, financial monitoring and control.

Financial results

Total comprehensive income for the year was £851k (2022-23: £9,591k). The College made a surplus before other gains and losses of £622k (2022-23: deficit of £68k) which is stated after adjustment for FRS 102 (28) and enhanced pension charges of negative £124k (2022-23: £537k). Stripping out these adjustments would result in an operating surplus of £498k (2022-23: surplus of £469k).

The College had accumulated income and expenditure reserves of £10,783k (2022-23: £9,900k) and cash and short-term investment balances of £8,757k (2022-23: £9,090k) at 31 July 2024.

Tangible fixed asset additions during the year amounted to £1,260k (2022-23: £936k). This was split between buildings of £273k (2022-23: £171k) and equipment of £987k (2022-23: £765k).

The College relies significantly on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023-24, the funding bodies provided 81% (2022-23: 80%) of the College's total income.

In 2023-24, the College delivered activity that produced £18,250k (2022-23: £16,735k) in main funding body allocation.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

The framework for financial management set out in HM Treasury's [Managing Public Money](#) places restrictions on public sector organisations over external borrowing. Any proposals for new borrowing must have DfE consent and will be authorised by the Corporation only where this prior approval has been granted.

There was no short-term borrowing required during the year.

Cash flows and liquidity

The operating cash inflow for the year was £812k (2022-23: inflow of £2,208k).

At the year end, the College had a bank loan of £6,610k (2022-23: £6,964k) outstanding relating to a 25-year fixed-term facility until April 2037 with Barclays plc. The loan was taken out to part-fund redevelopment of the College's Isleworth campus. The College obtained DfE consent to provide Barclays with security for the loan in the form of a first legal charge over the Millennium and Atrium Buildings; this was completed on 15 December 2023.

The size of the College's total borrowing, and its approach to interest rates, has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow.

Reserves Policy

During 2023-24, the College drew up a formal reserves policy that gives guidance on the minimum level of cash days for operational requirements (60 days) and target level of unrestricted cash reserves balances (£3.5m) to ensure the College can meet any short-term obligation and safeguard long-term sustainability. The reserves policy is not the only means of assessing going concern but contributes to this.

The College recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate resources to support its core activities. The College keeps cash and reserves to ensure that it can meet unexpected costs, deal with income shortfalls resulting from enrolment reductions or government funding changes and meet the future costs of improving buildings and other capital investment.

The College currently holds no restricted reserves.

As at the balance sheet date, the Income and Expenditure account reserve stood at £10,783k (2022-23: £9,900k) with cash and short-term investment balances of £8,757k (2022-23: £9,090k). The College's free reserves at 31 July 2024 equating to the net current assets were £4,961k (2022-23: £4,577k). Net assets excluding the pension

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

liability were £13,623k (2022-23: £12,773k). It is the Corporation's intention to increase reserves through the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes and the system of internal control, including financial, operational and risk management are designed to protect the College's assets, reputation and financial stability. The Corporation has overall responsibility for risk management and its approach to managing risk and internal controls is explained in the Statement of Corporate Governance.

Based on the strategic plan, the College Management Team (through the Executive Team meetings) 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 College Management Team also considers any risks which may arise because of a new area of work being undertaken by the College.

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

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

1. Government funding

The College has considerable reliance on continued Government funding through the ESFA and GLA. In 2023-24, approximately 90% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly considering recent economic instability.

The College is aware of several issues which may impact on future funding

- Possible tightening of government spending in response to fiscal pressures
- Availability of specific funding for increased Teachers' Pension Scheme employer's contribution rates.
- Increased localisation following devolution of the Adult Education Budget to the GLA.
- The threat of increased competition from schools and HE institutions.

This risk is mitigated in a variety of ways:

- Rigorous attention to delivering high-quality education and training
- Maintaining and managing key relationships with the various funding bodies
- Ensuring the College is focused on delivering the skills agenda, particularly in priority sectors which will continue to benefit from public funding
- Implementing strategies to reduce dependency on income from public funded sources
- Collaboration with strategic partners including co-located organisations to improve resource utilisation and generate additional net income
- Regular review of the cost base and efficiency of the organisation and taking prompt in-year action to make changes when required
- Robust risk management processes subject to regular review and monitoring at management and governor level.

2. Failure to recruit and retain high-quality staff within allocated pay budgets, particularly those in specialist roles and shortage areas.

The College mitigates against this risk through:

- Effective succession planning with shadowing and a professional development programme tailored for potential managers
- Regular salary reviews and focus on development of a broad package of remuneration and benefits
- Benchmarking of employee terms and conditions
- Regular monitoring and centralised control of pay budgets.

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

3. Curriculum reform

The College mitigates against this risk through:

- Engaging with DfE plans for curriculum reform to maintain awareness of latest developments and ensure curriculum plans are aligned to government priorities
- Marketing and promotional activity around curriculum reform to raise stakeholder awareness, including schools, students, parents and employers. Activities include:
 - School events
 - Employer Advisory Boards and T Level breakfasts
 - Participation in careers clusters and DfE T Level networking/steering groups
 - Introduction of transition programmes as preparation for T Level progression.
 - Partnership arrangements for building capacity of Industry Placements

4. Failure to recruit and retain sufficient student volumes to achieve funding targets.

This risk is actively monitored and mitigated as far as possible through:

- Transparent target-setting built into the curriculum planning process
- Regular review and monitoring of performance against targets through reporting of KPIs at management team meetings and to governors via the College’s data dashboard
- Annual review and reporting of marketing plans, recruitment cycle and admissions processes to inform curriculum planning
- Delivery plans mapped to local and regional skills needs and shortages.

5. Inability to control costs and failure to maintain the financial viability of the College

Whilst the cost-of-living crisis has eased and the rate of inflation returned to 2%, high price rises over the last two years mean this continues to be a key risk facing the College in the coming year. This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in-year budget monitoring
- Robust financial controls
- Targeted savings in energy consumption to alleviate increased costs
- Exploring ongoing procurement efficiencies

KEY PERFORMANCE INDICATORS

A series of performance indicators has been agreed to monitor the successful implementation of financial policies.

Key Performance Indicator	Measure/Target	2023-24 Actual
Financial health grade	Good	Outstanding
Financial health score	230/300	240/300
EBITDA % of income	>7%	7.1%
Current ratio (adjusted)	>2	2.5
Borrowing % of income	<32%	28.9%
Operating surplus % of income	0.2%	2.2%
Staff costs as % of income	<64%	64.2%
16-19 student numbers	1,730	1,734
Grow AEB income	+£100,000	+£87,000
Apprenticeships income	£350,000	£158,000

The College is required to complete the annual Finance Record for the ESFA which produces a financial health grading. The self-assessment rating of ‘Outstanding’ is a very positive outcome and exceeds the target grade for the year.

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

Streamlined Energy and Carbon Reporting

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

- Improved centralised control and management of the gas heating systems.
- Enhanced the Building Management System to provide greater control of heating, ventilation and air conditioning (HVAC) systems to reduce waste and overall energy consumption.
- Continued to increase the percentage of LED lighting across both campuses in line with strategic targets to 2024-25.
- Moved the College fleet to electric vehicles.
- Positive action to influence staff and student behaviours through implementation of a Green Travel Plan, internal publicity and embedding sustainability training in all full-time study programmes.
- Regular review and monitoring of energy consumption by the Corporation.
- Putting consideration of energy efficiency at the heart of capital investment projects.

The College’s greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government’s Conversion Factors for Company Reporting are as follows:

UK Greenhouse gas emissions and energy use data for the period	2023-24	2022-23
Energy consumption used to calculate emissions (kWh)	4,221,806	4,396,625
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	341.81	363.71
Owned transport	0.61	0.61
Total	342.42	364.32
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	486.69	498.09
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	0.00	0.00
Total gross emissions in metric tonnes CO2e	829.11	862.41

Intensity ratio - metric tonnes CO2e per staff member 3.25 3.38

Intensity measurement – the chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per staff member, the recommended ratio for the sector.

Trade union facility time

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

Numbers of employees who were relevant union officials during the relevant period	FTE employee number
5	4.15

Percentage of time spent on facility time	Number of employees
1-50%	5
Total cost of facility time	£9,176
Total pay bill	£10,210,641
Percentage of total bill spent on facility time	0.09%

Time spent on paid trade union activities as a percentage of total paid facility time	Nil
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WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

EQUALITY AND DIVERSITY

Equality

West Thames College is committed to providing high-quality education and training that reflects best practice in equality and diversity. We seek to promote equality and diversity and to avoid discrimination on grounds of the protected characteristics as set out in the Equality Act 2010.

Our goal is for all of our students to be successful and we provide them with the support necessary to achieve this goal. We work to ensure our students value the diversity of others and we actively promote good relations between students.

We aim to recruit staff from diverse backgrounds, provide them with rewarding work, support their professional development and value their contributions to the College. The College will ensure that no job applicant is disadvantaged, or treated less favourably, because of conditions or requirements not related to the job. The College will consider requests for part-time working, flexible working and/or job sharing on their merit taking account of the needs and demands of the service.

The College encourages the active participation of all sections of the community and we work to provide learning opportunities that accommodate diversity and raise the aspirations and achievements of students and staff.

Disability statement

The College welcomes students with disabilities and/or learning difficulties and has made significant investment in specialised equipment, establishing an effective Inclusion team, and specialist lecturers to support students with learning difficulties and disabilities.

The College employs student support assistants, who provide a range of support for learning, and specialist counselling and welfare staff. The College has a specialist facility for students with profound and complex learning needs.

College buildings have been substantially adapted with lifts, ramps and automatic doors to allow access for wheelchair users, and there are several adapted toilets and reserved car parking. Wheelchair access is available to all communal student facilities and to 98% of the classrooms.

The College is fully committed to improving how it recruits, retains and develops disabled staff. The College has been an accredited 'Disability Confident Employer' since October 2016 and has successfully renewed this twice, most recently extending accreditation until September 2026. The College had previously been accredited with the Positive about Disabled People "two ticks" disability symbol between 2005 and 2016.

GOING CONCERN

The financial position of the College, its cash flow, liquidity and borrowings are described in detail in the financial statements and accompanying notes.

The College had £6,610k (2022-23: £6,964k) of loans outstanding at 31 July 2024 with Barclays Bank plc on terms negotiated in 2008. The terms of the existing agreement are for up to another 13 years. The College's forecasts and financial projections indicate that it will be able to operate within the existing facility and covenants for the foreseeable future and make repayments as they fall due.

The College expects arrangements in the sector to be challenging going forward due to continuing economic uncertainty and inflationary pressures on costs. Whilst the cost-of-living crisis has eased, this may still have an adverse impact on some income lines, including tuition fees, nursery fees and income from other commercial activities. The College has built up reserves and had net current assets of £4,961k at 31 July 2024 so is well-positioned to manage this. In addition, the College has a good track record of being able to realise cost savings to mitigate income reductions.

The Corporation undertakes regular review and monitoring of student numbers, funding data and timely management accounts which include the current cash position, future cash flow projections, the College budgets and regularly updated forecasts, including financial returns submitted to the ESFA.

After making appropriate enquiries and considering factors likely to affect its future development and performance, the Corporation believes that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

WEST THAMES COLLEGE

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024 (continued)

EVENTS AFTER THE REPORTING PERIOD

There are no post balance sheet events to report.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

A handwritten signature in black ink, appearing to read 'Stuart McGeoch', with a long horizontal stroke extending to the right.

Stuart McGeoch
Chair

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

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

GOVERNANCE CODE

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in 'The Code of Good Governance for English Colleges' ('the Code').

In the opinion of the members of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on an internal review of compliance with the code reported to the Board on 20 March 2024.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2023, which it formally adopted in March 2024.

THE CORPORATION

Members of the Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below.

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	2023/24 Attendance	
						Overall	Audit
Mr A Alimohamed	01/08/2022	31/07/2025	31/07/2024	External	1	44%	3/3
Ms A Cornish	01/08/2022	31/07/2026		External	2, 4	80%	
Mr S McGeoch	01/08/2022	31/07/2025		External	2,3,5	92%	
Ms C Zervoudakis	12/06/2024	11/06/2028		External	4	100%	
Mr M Othi	01/07/2024	30/06/2028		External	1	100%	0/0
Mr A Barke	01/07/2020	30/06/2024		External	1	75%	2/3
Mr A Rides	01/08/2022	31/07/2026		External	2, 3	80%	
Ms T Aust (CEO)	01/04/2016	Ex Officio		Principal/CEO	3, 4, 5	94%	
Mr A Smith	14/10/2020	13/10/2024		Staff	4	50%	
Ms T Kaur	12/10/2022	31/07/2023		Student	4	22%	
Ms A Colville	24/01/2024	31/07/2024		Student	4	20%	
Mr S Taylor	09/02/2023	08/02/2027		External	1, 3	100%	
Ms R Turner	15/05/2023	14/05/2026		External	3, 4	100%	
Mr P Sullivan	15/05/2023	14/05/2026		External	2, 3, 5	100%	
Mr G Casley	01/08/2023	31/07/2027		External	4	56%	
Mr T Hayhoe	01/08/2023	31/07/2027		External	5	100%	
Mr J Bolt	01/08/2023	31/07/2024		Associate	4	100%	
Ms C Singh	01/08/2023	31/07/2024		Associate	1	89%	2/3
Mr B Armstrong	01/08/2023	31/07/2024		Associate	4	80%	
Mr F Ahmed	14/10/2024	13/10/2018		External	1	N/A	
Ms B Bata	18/09/2024	17/08/2028		Staff	4	N/A	
Ms H Abdul Hakkeem	01/08/2024	31/07/2025		Student	4	N/A	

¹Member of the Audit Committee, chaired by Mr S Taylor.

²Member of the Remuneration Committee, chaired by Mr P Sullivan.

³Member of the Governance, Search & Strategy Committee, chaired by Mr S McGeoch.

⁴Member of the Curriculum, Quality & Student Experience Committee, chaired by Ms R Turner.

⁵Member of the Finance, Resources & Capital Projects Committee, chaired by Mr P Sullivan.

The Corporation has agreed a category of 'Associate Member'. A key role of an Associate Member is to advise the Chair of the Corporation and the Chair of the Committee(s) that they are appointed to in their area of expertise. The term of office for an Associate Member is 12 months subject to an annual re-appointment review. Associate members do not have voting rights in Corporation meetings but are encouraged to express their views

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

to help inform decision-making. The following Associate Member appointments were agreed:

- Mr J Bolt for the period 1 August 2023 to 31 July 2024 and for 1 August 2024 to 31 July 2025. Mr Bolt attends meetings of the Corporation and the Curriculum, Quality & Student Experience Committee.
- Ms C Singh for the period 1 August 2023 to 31 July 2024 and for 1 August 2024 to 31 July 2025. Ms Singh attends meetings of the Corporation and the Audit Committee.
- Mr B Armstrong for the period 1 August 2023 to 31 July 2024. Mr Armstrong attends meetings of the Corporation and the Curriculum, Quality & Student Experience Committee.

The Governance Framework

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

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. The committees are Curriculum, Quality and Student Experience; Finance, Resources and Capital Projects; Governance, Search and Strategy; Audit and Remuneration.

Full minutes of all meetings, except those deemed by the Corporation to be confidential, are available on the College's website www.west-thames.ac.uk or from the Head of Governance: karen.frost@west-thames.ac.uk.

The Head of Governance maintains a register of financial and personal interests of the governors. The register is available for inspection from the Head of Governance: karen.frost@west-thames.ac.uk.

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

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

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

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance, Search and Strategy Committee, members of which were responsible for the selection and nomination of any new member (with the exception of elected staff and student members) for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. Appointments may be made for a shorter period if the Board deems it appropriate in the circumstances. Student members are appointed for one year.

In line with the Association of Colleges' Code of Governance, members do not normally serve for more than two terms of four years or three terms of three years (a maximum of either eight or nine years).

During 2023-24, a skills and diversity audit was undertaken to review the make-up of Board members. Following this, analysis was undertaken and an action plan created through which any identified gaps are filled with training and/or future recruitment.

When a vacancy arises, the Governance, Search and Strategy Committee considers the results of the skills and diversity audit to ensure that the Corporation has appropriate skills and expertise amongst its membership to enable it to discharge its responsibilities.

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

Vacancies may be advertised either through the placing of an advert in local/national newspapers and periodicals or by advertising the vacancy on the College's website. Existing members will also be asked to bring the vacancy to the attention of any persons that they think might be suitable for appointment. Applications are submitted in writing to the Head of Governance.

Interviewing is undertaken by a panel determined by the Governance, Search and Strategy Committee. Minimum membership of the panel is the Principal, one other governor and the Head of Governance.

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole.

When recruiting new members, the Corporation is mindful that a successful board has an appropriate mix of governors with diverse skills, experience and backgrounds. The Corporation values the diversity of its learners and staff, who come from a variety of ethnic, cultural and religious backgrounds. Through the work of the Governance, Search and Strategy Committee, the Corporation is committed to reflecting this diversity in its composition and encourages people from a range of backgrounds and experiences to apply.

Corporation Performance

In 2022-23, the Corporation arranged an external review of governance which was carried out by Fiona Chalk from Governance4FE.

The report from was positive and 'reflected the considered and considerable efforts the Board and Executive had put into improving governance'. The review found the College was compliant with the Code of Good Governance for English Colleges. Roles and responsibilities were clearly defined and functioned effectively. The structure of governance was fit for purpose and there was a clear link between the Board's work and the strategic objectives of the College. The provision of data to governors was good. There were trusting and transparent relationships between the Board and the Executive and constructive challenge was understood and carried out well. The composition of the Board and succession planning were closely linked to strategic priorities and governors were committed to improving the effectiveness of governance.

The external review made 15 recommendations which can be found in the full report which is published on the College website. During 2023-24, the Governance, Search and Strategy Committee led the process of implementing the recommendations.

The actions resulting from the review were validated by the reviewer, Fiona Chalk, who has also confirmed the accuracy of this statement.

The Corporation carried out a self-assessment of its performance for the year ended 31 July 2024 and graded itself 'Good' on the Ofsted scale. The following framework was used for the review:

- Review of Board effectiveness.
- Individual governor review.
- Review of performance against the updated Association of Colleges Code of Governance.
- Evaluations of the effectiveness of governor meetings
- Skills and diversity audit
- Update of the governor action plan.

Training and Development

The Corporation is committed to development and is responsible for ensuring that appropriate training is provided as required.

An induction process is in place for new governors which includes an introduction to the College and board process, meetings with key staff and training in safeguarding and Prevent. Newly appointed governors are offered support from a mentor, who is an experienced member of the Board, and are given the opportunity to attend external induction courses. During 2023-24, two governors attended the ETF Governor Induction Course.

The College offers a variety of training and development opportunities for individual members and the Corporation as a whole so that collectively the Corporation has the necessary skills and understanding to fulfil its responsibilities under the Instrument and Articles of Government. All governors complete annual training sessions in Safeguarding, Prevent and Keeping Children Safe in Education. The safeguarding link governor completes the NSPCC governor safeguarding course.

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

In 2023-24, the following training sessions were arranged for all governors:

- Equality, diversity and inclusion which was delivered by AoC Diversity, Equality and Inclusion staff
- Sustainability and Climate Change delivered by Steve Frampton MBE, AoC Sustainability Consultant and former FE/HE Climate Commissioner
- High Needs training delivered internally.

In addition, briefings on the following topics were held:

- Ofsted.
- Local Skills Improvement Plan Update.

During academic year 2023-24, governors attended a variety of training courses run by the Association of Colleges (AoC) and ETF that included a range of modules from the ETF Governance Development Programme, the AoC Ofsted Masterclass and the AoC Finance Masterclass series.

Governors regularly attend local network meetings run by AoC including the Chair and Vice Chairs' network, AoC network meetings for Curriculum Chairs and AoC network meetings for Finance and Audit Chairs.

A shared governance event was held in May 2024. Governors, Principals and governance professionals from six local colleges took part in the event that included sessions on: Accountability Statements, LSIF and the longer-term vision for Higher and Further Education.

The Head of Governance attended the AoC Governance Professionals Conference and is part of the AoC London Clerk network. During 2023-24, she completed two more modules of the Chartered Governance Institute's Chartered Governance Qualifying Programme and took part in ETF mentoring sessions.

Committees

Curriculum, Quality and Student Experience Committee

Throughout the year ending 31 July 2024, the Curriculum, Quality and Student Experience Committee comprised nine members including the staff governor, two student governors and two associate members. The role of the committee is to provide assurance to the Corporation about the quality of teaching, learning and student outcomes for all provision at all levels for all age groups. The committee also participates in the moderation process for the College Self-Assessment Report (SAR).

Governance, Search and Strategy Committee

Throughout the year ending 31 July 2024, the Governance, Search and Strategy Committee comprised six members. The role of the committee is to lead on continuous improvement and best practice in governance, advising the Corporation on membership and general governance matters. The Committee also takes a lead on the review and appraisal of strategic options, including the monitoring of strategic risk and opportunities.

During 2023-24, the committee led the recruitment of two new governors to fill vacancies and for succession planning purposes. The Committee used the results of the skills audit to inform the recruitment process. It was decided to use Nurole to support with the recruitment. Two governors with experience in strategic decision making, change management, finance, digital transformation and data analysis were recruited.

In Autumn 2024, the Governance, Search and Strategy Committee led the recruitment for a new governor to fill a vacancy on the Audit Committee. A governor was recruited with experience of audit and who is a qualified accountant.

Finance, Resources and Capital Projects Committee

Throughout the year ending 31 July 2024, the Finance, Resources and Capital Projects Committee comprised four members. The role of the committee is to ensure value for money and maximisation of resources and to give assurance to the Corporation on the suitability and appropriateness of the College's financial strategy and policies. The committee considers and advises the Corporation on financial matters, including investment and borrowing, human resources, health and safety, the property strategy and commercial activities.

Remuneration Committee

Throughout the year ending 31 July 2024, the Remuneration Committee comprised four members. The committee's responsibility is to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

The Corporation has adopted the Association of Colleges (AoC) Senior Postholder Remuneration Code and the terms of reference for the committee confirm that the committee will adhere to and follow the requirements of the Code. The Board decided against adopting the CUC Higher Education Staff Remuneration code but has instead, complied with AoC's Code because:

- Both codes cover the same areas and require College leadership to implement similar assurance and compliance measures
- Both have been designed to provide transparency and protect institutional and sector reputation by demonstrating stewardship and leadership in relation to remuneration within their institutions
- AoC's Code has been designed to be more directly relevant to the circumstances of the colleges
- AoC's Code is also identified in ESFA's 2023-24 accounts direction as suitable for adoption.

Details of remuneration for the year ended 31 July 2024 are set out in note 6 to the financial statements.

Audit Committee

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

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

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

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

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

The Audit Committee met three times in the year ending 31 July 2023. The members of the committee and their records meetings are shown below.

Committee Member	Meetings Attended
Mr S Taylor	3
Ms C A Singh	2
Mr A Barke	2
Mr A Alimohamed	3
Mr M Othi	1

INTERNAL CONTROL

Scope of Responsibility

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

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

The Purpose of the System of Internal Control

The system of internal control is 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

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Thames College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts. This process is reviewed regularly by the Corporation.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

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

Risks Faced by the Corporation

The College has identified the key risks that present a threat to successful fulfilment of its strategic objectives. A risk register is maintained in which the risks are categorised and ranked according to an evaluation of impact and likelihood. The principal risks noted on pages 7 and 8 of the Members' Report are included in the risk register.

Management of these risks is through the Corporation subcommittees for Curriculum, Quality and Student Experience; Finance, Resources and Capital Projects, and Audit. At each meeting of these subcommittees, there is a review of risks in the College's risk register that fall within the scope of the committee's terms of reference. The committees will assess the appropriateness of the risk score, proposed mitigation actions, and any sources of assurances being sought to confirm that the risks are being managed and mitigated; and to identify any new risks for inclusion in the risk register. In addition, at the end of each meeting, committees are required to identify the points/issues/risks that need to be brought to the attention of the Corporation.

The Audit Committee is authorised by the Corporation to investigate any activity within its terms of reference to monitor the adequacy and effectiveness of the College's systems of internal control, and its arrangements for risk management, control and governance processes. The Audit Committee will also maintain the overarching responsibility for reviewing and maintaining the structure of the Board Assurance Framework., which is subject to regular review by the Committee. In addition to its own review of the risk register, the Audit Committee receives feedback on risk register reviews conducted by the other subcommittees.

The Corporation has the ultimate responsibility for risk management and is advised in this role by the Audit Committee. The Corporation sets the tone and influences the culture of risk management within the College which, besides the regular risk reviews undertaken by the Audit Committee and other subcommittees, includes the following:

- Ensuring that the identification, assessment and mitigation of risk is linked to the achievement of the College's objectives
- Ensuring that the assessment of risk reflects the College's appetite for risk
- Considering any significant new activity or opportunities as they arise to ensure that risks are identified and managed
- Actively participating in major decisions affecting the College's risk profile or exposure

WEST THAMES COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2024

- Monitoring the management of significant risks to reduce the likelihood of unwelcome surprises
- Receiving regular reports from College management supplemented by internal and external audit reports and other third-party agencies in order to receive assurance that all aspects of risk are being appropriately managed
- Annually reviewing the College's approach to risk management and approving changes to key elements of its processes and procedures.

Control Weaknesses Identified

No significant internal control weaknesses or failures arose during the year.

Responsibilities under Accountability Agreements

The College has due regard for its responsibilities under accountability agreements with the ESFA and other funding agencies. Ways in which the College meets these responsibilities include, but are not limited to, the following:

- Maintenance of an up-to-date Business Continuity Plan to manage the unexpected and build resilience against any disaster.
- Implementation of the necessary internal control framework and an internal audit function to ensure that it meets its obligations and those of its subcontractors under funding agreements with the ESFA.
- Compliance with all health and safety legislation and Health and Safety Executive working regulations, adopting and maintaining safe policies and operations to protect the health and safety of its staff, students and the general public. Additionally, the College ensures that all operations are delivered in safe, healthy and supportive environments that meet the needs of students and staff.
- Continuously seeking to improve services for students through implementation of robust quality assurance and performance management procedures.
- Having regard for the duties placed upon it by the Equality Act 2010 and building in equality of opportunity to all aspects of services.
- Timely sharing of information and data as required by funding agencies whilst ensuring compliance with all data protection legislation.
- Subcontracts that meet with ESFA funding rules including compliance with any enquiries, investigations and inspections that may be required.
- Implementing a framework and procedures for complaints investigation and feedback.

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

Statement from the Audit Committee

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

The specific areas of work undertaken by the Audit Committee in 2023-24 and up to the date of the approval of the financial statements are outlined below.

Internal audit reviews of the following areas:

- ILR funding
- Estates Management
- Risk Management
- Cyber Security

Through each of the audits conducted it was found that the College had assessed risks relating to the area, the controls in place to manage these, and identified actions to address residual risks.

An element of governance was considered as part of all the internal audits undertaken during the year and no significant weaknesses in the College's governance arrangements were identified.

All the assurance work undertaken resulted in positive assurance (strong or substantial) opinions being provided to the College and whilst some minor areas of weakness were identified these were not considered to be

WEST THAMES COLLEGE

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024**

sufficiently significant to adversely impact on the overall effectiveness of the control environment for these areas.

Where recommendations were made, management has taken or planned appropriate and timely action to implement the recommendations.

Review of Effectiveness

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

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

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

The Executive 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 Executive Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

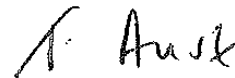
The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit Committee. The emphasis is on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

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

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



Stuart McGeoch
Chair



Tracy Aust
Accounting Officer

WEST THAMES COLLEGE

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 JULY 2024**

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.



Tracy Aust
Accounting Officer
11 December 2024

Statement of the Chair of the Corporation

On behalf of the Corporation, I confirm that the Accounting Officer has discussed her statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



Stuart McGeoch
Chair
11 December 2024

WEST THAMES COLLEGE

STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024

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

Within the terms and conditions of the Corporation's grant funding agreements and contracts with the ESFA and OfS, the Corporation – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice, which give a true and fair view of the state of affairs of the Corporation and its surplus/deficit of income over expenditure for that period. In preparing the financial statements, the Corporation is required to:

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

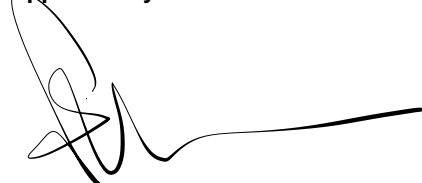
The Corporation is also required to prepare a Members' Report, which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

The Corporation is responsible for the maintenance and integrity of the College's website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA, and any other public funds, are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite-size guides. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

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



Stuart McGeoch
Chair

WEST THAMES COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WEST THAMES COLLEGE FOR THE YEAR ENDED 31 JULY 2024

Opinion

We have audited the financial statements of West Thames College for the year ended 31 July 2024 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education (the 2019 FE HE SORP) and the Accounts Direction 2023 to 2024 issued by the ESFA; and
- In all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- In all material respects, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- The requirements of OfS's accounts direction have been met.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

WEST THAMES COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WEST THAMES COLLEGE FOR THE YEAR ENDED 31 JULY 2024 (continued)

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of the Corporation

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

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

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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

WEST THAMES COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WEST THAMES COLLEGE FOR THE YEAR ENDED 31 JULY 2024 (continued)

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

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

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

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 19 December 2024

WEST THAMES COLLEGE

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY FOR THE YEAR ENDED 31 JULY 2024

To: The Corporation of West Thames College and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA)

In accordance with the terms of our engagement letter dated 7 December 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 West Thames College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of West Thames College and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the Corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

WEST THAMES COLLEGE

**REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2024 (continued)**

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

19 December 2024

WEST THAMES COLLEGE**STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE****FOR THE YEAR ENDED 31 JULY 2024**

	Notes	2024 £'000	2023 £'000
INCOME			
Funding body grants	2	19,491	17,946
Tuition fees and education contracts	3	2,876	3,040
Other income	4	1,540	1,414
Investment Income	5	200	93
Total income		<u>24,107</u>	<u>22,493</u>
EXPENDITURE			
Staff costs	6	14,500	13,042
Other operating expenses	7	6,340	6,599
Depreciation	10	2,210	2,169
Interest and other finance costs	8	435	751
Total expenditure		<u>23,485</u>	<u>22,561</u>
Surplus / (Deficit) before other gains and losses and taxation		622	(68)
Taxation		-	-
Surplus / (Deficit) for the year		<u>622</u>	<u>(68)</u>
Actuarial gain in respect of pensions schemes	18	229	9,659
Total Comprehensive Income for the year		<u><u>851</u></u>	<u><u>9,591</u></u>

WEST THAMES COLLEGE

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2024

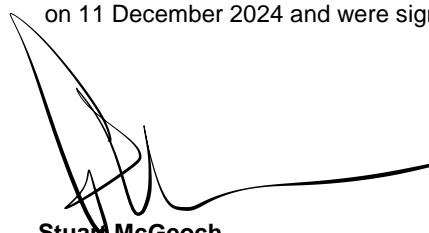
	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2022	277	2,904	3,181
Deficit from the income and expenditure account	(68)	-	(68)
Other comprehensive income	9,659	-	9,659
Transfers between revaluation and income and expenditure reserves	32	(32)	-
Total comprehensive income for the year	<u>9,623</u>	<u>(32)</u>	<u>9,591</u>
Balance at 31 July 2023	<u>9,900</u>	<u>2,872</u>	<u>12,772</u>
Surplus from the income and expenditure account	622	-	622
Other comprehensive income	229	-	229
Transfers between revaluation and income and expenditure reserves	32	(32)	-
Total comprehensive income for the year	<u>883</u>	<u>(32)</u>	<u>851</u>
Balance at 31 July 2024	<u>10,783</u>	<u>2,840</u>	<u>13,623</u>

WEST THAMES COLLEGE

BALANCE SHEET AS AT 31 JULY 2024

	Notes	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	10	<u>56,950</u>	<u>57,899</u>
Current assets			
Stocks		5	11
Trade and other receivables	12	2,233	1,298
Investments	13	2,000	2,000
Cash and cash equivalents	14	6,757	7,090
Total current assets		<u>10,995</u>	<u>10,399</u>
Less: Creditors – amounts falling due within one year	15	(6,034)	(5,822)
Net current assets		<u>4,961</u>	<u>4,577</u>
Total assets less current liabilities		61,911	62,476
Less: Creditors – amounts falling due after more than one year	16	(47,447)	(48,414)
Provisions			
Defined benefit obligations	18, 23	-	(1)
Other provisions	18	(841)	(1,289)
TOTAL NET ASSETS		<u><u>13,623</u></u>	<u><u>12,772</u></u>
Unrestricted reserves			
Income and expenditure account		10,783	9,900
Revaluation reserve		2,840	2,872
TOTAL RESERVES		<u><u>13,623</u></u>	<u><u>12,772</u></u>

The financial statements on pages 27 to 48 were approved and authorised for issue by the Corporation on 11 December 2024 and were signed on its behalf on that date by:



Stuart McGeoch
Chair



Tracy Aust
Accounting Officer

WEST THAMES COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £'000	2023 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year	I&E	622	(68)
Adjustment for non cash items			
Depreciation	10	2,210	2,169
Deferred capital grants released to income	2 & 4	(1,241)	(1,211)
Decrease in stocks		6	-
Increase in debtors		(935)	(234)
Increase in creditors due within one year	15	212	844
Decrease in provisions	18	(96)	(110)
Pensions costs less contributions payable	23	(201)	160
Adjustment for investing or financing activities			
Investment income	5	(200)	(93)
Interest payable	8	435	751
Net cash flow from operating activities		<u>812</u>	<u>2,208</u>
Cash flows from investing activities			
Investment income	5	200	93
Capital grants received		648	1,777
Payments made to acquire fixed assets	10	(1,260)	(936)
		<u>(412)</u>	<u>934</u>
Cash flows from financing activities			
Interest paid	8	(359)	(374)
Repayments of amounts borrowed	15	(374)	(338)
		<u>(733)</u>	<u>(712)</u>
(Decrease) / Increase in cash and cash equivalents in the year		<u><u>(333)</u></u>	<u><u>2,429</u></u>
Cash and cash equivalents at beginning of the year	14	7,090	4,661
Cash and cash equivalents at end of the year	14	6,757	7,090

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of preparation

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

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

Basis of accounting

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

Basis of consolidation

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance, including the risk of economic uncertainty, are set out in the Members' Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College currently has £6,610k of a loan outstanding with Barclays Bank plc on terms negotiated in 2008. The terms of the existing agreement are for up to another 13 years. This is a 25-year fixed-rate loan. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future and make repayments as they fall due.

Accordingly, the Corporation has a reasonable expectation that the College will have adequate resources for its activities to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Recognition of income

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-delivery of Adult Education Budget funding allocations 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. 16-19 funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited directly to the Statement of Comprehensive Income.

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

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

WEST THAMES COLLEGE

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

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (cont.)

Capital grant funding

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

Fee income

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

Investment income

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned on a receivable basis.

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

Hounslow Local Government Pension Scheme (LGPS)

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

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

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

WEST THAMES COLLEGE

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

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (cont.)

Short-term employment benefits

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

Enhanced pensions

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Land and buildings

Freehold buildings inherited from the Local Authority and buildings acquired since incorporation are stated in the balance sheet at Net Book Valuation as the open market value for existing use is not readily obtainable.

Land and buildings acquired and building improvements since incorporation are included in the balance sheet at cost.

Freehold land is not depreciated as it is considered to have an infinite useful life.

Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, but not to adopt a policy of revaluations of these properties in the future.

Leasehold improvements

Improvements to leasehold properties are included on the balance sheet at depreciated cost where they increase the future benefits to the College. Depreciation on leasehold improvements is charged on a straight-line basis over length of the lease.

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £250 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

WEST THAMES COLLEGE

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

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (cont.)

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

Motor vehicles	-	3 years on a straight-line basis
Computer equipment & software	-	4 years on a straight-line basis
Furniture, fittings and general equipment	-	5 years on a straight-line basis
Cabling equipment	-	10 years on a straight-line basis

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred capital grant account and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

Borrowing costs

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

Leased assets

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

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

Cash includes cash in hand as well as accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Financial liabilities and equity

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

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

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the 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 resulting exchange differences being taken to income in the period in which they arise.

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

WEST THAMES COLLEGE

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

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (cont.)

sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

Judgements in applying accounting policies

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets

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

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

WEST THAMES COLLEGE

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

2 FUNDING BODY GRANTS

	2024	2023
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency – Adult Education Budget	281	254
Education and Skills Funding Agency – 16 to 19 Revenue Funding	13,310	11,937
Education and Skills Funding Agency – Apprenticeships	158	186
Education and Skills Funding Agency – Other Income	291	275
Greater London Authority (GLA) – Adult Education Budget	3,759	3,698
Office for Students	64	65
Specific grants		
Teachers' Pension Scheme contribution grant	387	320
Releases of government capital grants	1,241	1,211
Total	<u>19,491</u>	<u>17,946</u>

	2024	2023
	£'000	£'000
Disclosure requirement for OfS registered colleges*		
Grant income from the Office for Students - direct funding	64	65
Grant income from the Office for Students - HE Franchise provision	110	126
Fee income for taught awards (exclusive of VAT)	151	253
Total	<u>325</u>	<u>444</u>

*Amounts recorded relate to courses at Level 4 and above only.

3 TUITION FEES AND EDUCATION CONTRACTS

	2024	2023
	£'000	£'000
Adult education fees	222	324
Fees for FE loan supported courses	183	293
Fees for HE loan supported courses	128	250
International students fees	24	29
Total tuition fees	<u>557</u>	<u>896</u>
Education contracts	2,319	2,144
Total	<u>2,876</u>	<u>3,040</u>

WEST THAMES COLLEGE

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

4 OTHER INCOME

	2024	2023
	£'000	£'000
Catering & Residences	789	752
Other income generating activities	394	367
Miscellaneous income	161	236
Releases of other Government capital grants	196	59
Total	<u>1,540</u>	<u>1,414</u>

5 INVESTMENT INCOME

	2024	2023
	£'000	£'000
Interest receivable	200	93
Total	<u>200</u>	<u>93</u>

WEST THAMES COLLEGE

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

6 STAFF COSTS

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

	2024	2023
	No.	No.
Teaching staff	99	103
Non teaching staff	156	167
Total	<u>255</u>	<u>270</u>

Staff costs for the above persons

	2024	2023
	£'000	£'000
Wages and salaries	7,787	7,491
Social security costs	777	741
Other pension costs	1,554	1,854
Payroll subtotal	<u>10,118</u>	<u>10,086</u>
Contracted out staffing services	<u>4,382</u>	<u>2,956</u>
	14,500	13,042
Fundamental restructuring costs - non-contractual	-	-
Total	<u>14,500</u>	<u>13,042</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 Executive Team comprising the CEO & Principal, Vice Principal of Curriculum & Quality, Executive Director of Finance, HR & Development and Executive Director of Resources & Student Experience.

Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff

	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>4</u>	<u>4</u>

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

	Key Management Personnel		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £65,000 p.a.	-	-	1	1
£65,001 to £70,000 p.a.	-	-	1	-
£75,001 to £80,000 p.a.	-	2	-	-
£80,001 to £85,000 p.a.	2	1	-	-
£90,001 to £95,000 p.a.	1	-	-	-
£140,001 to £145,000 p.a.	-	1	-	-
£150,001 to £155,000 p.a.	1	-	-	-
Total	<u>4</u>	<u>4</u>	<u>2</u>	<u>1</u>

WEST THAMES COLLEGE

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

6 STAFF COSTS (continued)

Key management personnel compensation is made up as follows:

	2024	2023
	£'000	£'000
Basic salary	389	383
Pension contributions	87	68
Total	<u>476</u>	<u>451</u>

The above compensation includes amounts paid to the Principal and Chief Executive who is the accounting officer and who is also the highest paid member of staff. Her pay and remuneration is as follows:

	2024	2023
	£'000	£'000
Basic salary	154	143
Performance-related pay and bonus	-	-
Other including benefits in kind	-	-
Pension contributions	39	34
Total	<u>193</u>	<u>177</u>

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

The remuneration package of senior postholders is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. In the year ending 31 July 2024, the College's only senior postholder was the Principal and Chief Executive.

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

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

	2024	2023
	£'000	£'000
Principal's basic salary as a multiple of the median of all staff	4.61	(Restated) 4.68
Principal and CEO's total remuneration as a multiple of the median of all staff	4.86	4.86

WEST THAMES COLLEGE

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

7 OTHER OPERATING EXPENSES

	2024	2023
	£'000	£'000
Teaching costs	451	398
Non teaching costs	3,245	2,923
Premises costs	2,644	3,278
Total	<u>6,340</u>	<u>6,599</u>

Other operating expenses include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
- Financial statements audit	40	39
- Internal audit	13	13
- Other services provided by the financial statements auditors	3	3
Hire of assets under operating leases	84	72

8 INTEREST PAYABLE

	2024	2023
	£'000	£'000
On bank loans, overdrafts and other loans:	359	374
Net interest on defined pension liability (note 23)	11	321
Enhanced pension finance costs	65	56
Total	<u>435</u>	<u>751</u>

9 TAXATION

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

WEST THAMES COLLEGE

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

10 TANGIBLE FIXED ASSETS

	Land and buildings		Equipment & Vehicles	Total
	Freehold	Leasehold		
	£'000	£'000		
Cost or valuation			£'000	£'000
At 1 August 2023	73,402	5,793	9,346	88,541
Additions	144	129	987	1,260
Disposal of assets	(590)	-	(7,570)	(8,160)
At 31 July 2024	72,956	5,922	2,763	81,641
Depreciation				
At 1 August 2023	20,238	1,900	8,503	30,641
Charge for the year	1,506	242	462	2,210
Disposal of assets	(590)	-	(7,570)	(8,160)
At 31 July 2024	21,154	2,142	1,395	24,691
Net book value at 31 July 2024	51,802	3,780	1,368	56,950
Net book value at 31 July 2023	53,164	3,893	842	57,899

11 NON-CURRENT INVESTMENTS

The College has a wholly-owned subsidiary company, Logistics Skills Alliance Limited, which is a company limited by guarantee. It has been dormant since its incorporation in March 2013. The Accounting Officer of the College is the ex-officio sole member.

12 TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Amounts falling due within one year:		
- Trade receivables	1,449	784
- Prepayments and accrued income	784	514
Total	2,233	1,298

There are no debtors falling due after more than one year.

13 CURRENT INVESTMENTS

	2024 £'000	2023 £'000
Short term deposits	2,000	2,000

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

WEST THAMES COLLEGE

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

14 CASH AND CASH EQUIVALENTS

	At 1 August 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Cash and cash equivalents	7,090	(333)	6,757
Total	<u>7,090</u>	<u>(333)</u>	<u>6,757</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £000	2023 £'000
Bank loans (note 17)	374	354
Trade payables	581	816
Other taxation and social security	339	342
Holiday pay accrual	433	433
Accruals and deferred income	1,821	1,441
Deferred income - government capital grants	1,212	1,212
Amounts owed to the ESFA	1,274	1,224
Total	<u>6,034</u>	<u>5,822</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024 £000	2023 £'000
Bank loans (note 17)	6,236	6,610
Deferred income - government capital grants	41,211	41,804
Total	<u>47,447</u>	<u>48,414</u>

The bank loan relates to an agreed 25-year fixed-term facility from May 2012 to April 2037 with Barclays plc with rate fixed at 5.26%. This loan was taken out to part fund the redevelopment of the College's Isleworth campus. The College obtained DfE consent to provide Barclays with security for the loan in the form of a first legal charge over the Millennium and Atrium Buildings; this was completed on 15 December 2023

WEST THAMES COLLEGE**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024****17 MATURITY OF DEBT**

Bank loans and overdrafts are repayable as follows:

	2024	2023
	£'000	£'000
In one year or less	374	354
Between one and two years	394	374
Between two and five years	1,314	1,247
In five years or more	4,528	4,989
Total	<u>6,610</u>	<u>6,964</u>

18 PROVISIONS

	Defined benefit obligations	Enhanced pensions	Total
	£'000	£'000	£'000
At 1 August 2023	1	1,289	1,290
Expenditure in the period	(815)	(96)	(911)
Transferred from income and expenditure account:			
- Actuarial loss (gain)	189	(418)	(229)
- Other	625	65	690
At 31 July 2024	<u>-</u>	<u>841</u>	<u>841</u>

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

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

19 CAPITAL AND OTHER COMMITMENTS

Contracted capital commitments as at 31 July 2024 were £734k (2023: £133k)

20 LEASE OBLIGATIONS

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

Land and Buildings

The College has a lease arrangement with London Borough of Hounslow for the Skills + Logistics Centre site to 2026. Both parties have agreed in principle to extend this further to 2047. The principal term of the current lease is a 15-year tenure which commenced in April 2011 of which the first ten years are rent free and then revert to a rack rent for the remaining years.

Other	2024	2023
	£'000	£'000
Not later than one year	84	72
Later than one year and not later than five years	156	178
Later than five years	-	-
	<u>240</u>	<u>250</u>

WEST THAMES COLLEGE

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

21 CONTINGENT LIABILITIES

The Corporation is not aware of any such liabilities (2022-23: none).

22 EVENTS AFTER THE REPORTING PERIOD

There are no post balance sheet events to report.

23 DEFINED BENEFIT OBLIGATIONS

The Colleges employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the London Borough of Hounslow Pension Fund. Both are multi-employer defined-benefit plans.

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

Total pension cost for the year	2024		2023
	£'000		£'000
Teachers Pension Scheme: contributions paid	815		848
Local Government Pension Scheme:			
- Contributions paid	815	846	
- FRS 102 (28) charge	<u>(201)</u>	<u>160</u>	
Charge to the Statement of Comprehensive Income	614		1,006
Total pension cost for year	<u>1,429</u>		<u>1,854</u>

Contributions amounting to £145k (2022-23: £121k) payable to the schemes at 31 July were paid at the close of 31 August 2024.

Teachers' Pension Scheme

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

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

The actuarial valuation of the TPS which applied during the year ended 31 July 2024 was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.1 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards. DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022/23 academic year. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

WEST THAMES COLLEGE

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

23 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 Hounslow Local Authority. The total contributions made for the year ended 31 July 2024 were £1,023k, of which employer's contributions totalled £815k and employees' contributions totalled £208k. The agreed contribution rates for future years are 19.8 % for the College and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2023 updated to 31 July 2024 by a qualified independent actuary.

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.85%	3.85%
Future pensions increases	2.85%	2.85%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	3.20%	2.85%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2024 Years	At 31 July 2023 Years
Retiring today		
- Males	20.7	20.7
- Females	23.3	23.2
Retiring in 20 years		
- Males	22.0	22.0
- Females	24.7	24.6

WEST THAMES COLLEGE

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

23 DEFINED BENEFIT OBLIGATIONS (continued)

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

	Fair Value at 31 July 2024 £'000	Fair Value at 31 July 2023 £'000
Equities	16,742	15,470
Fixed Income	7,387	6,135
Property	1,008	1,007
Cash	928	800
Infrastructure	493	406
Total fair value of plan assets	<u>26,558</u>	<u>23,818</u>
Interest on plan assets	5.05%	5.15%
Actual return on plan assets	<u>2,550</u>	<u>294</u>

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

	2024 £'000	2023 £'000
Fair value of plan assets	26,558	23,818
Present value of plan liabilities	(25,285)	(23,819)
Surplus (deficit) in the scheme as determined by the actuary	1,273	(1)
Adjustment recognised in actuarial gains to cap the scheme surplus*	(1,273)	-
Net pension liability (Note 18)	<u>-</u>	<u>(1)</u>

*As the LGPS surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £1,273k has been offset against the overall actuarial gain for the year

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

	2024 £'000	2023 £'000
Amounts included in staff costs		
Current service cost	614	1,006
Past service cost	-	-
Total	<u>614</u>	<u>1,006</u>
Amounts included in interest payable		
Net interest cost including admin costs	11	321
	<u>11</u>	<u>321</u>
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	1,318	(501)
Changes in demographic assumptions	59	499
Experience losses arising on defined benefit obligations	129	(397)
Changes in assumptions underlying the present value of plan liabilities	(422)	9,666
Other actuarial losses on assets	-	44
Amount recognised in Other Comprehensive Income	<u>1,084</u>	<u>9,311</u>

WEST THAMES COLLEGE

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

23 DEFINED BENEFIT OBLIGATIONS (continued)

Movement in net defined benefit liability during the year

	2024	2023
	£'000	£'000
Deficit in scheme at 1 August	(1)	(8,831)
Movement in year:		
Current service cost	(614)	(1,006)
Employer contributions	815	846
Net interest on the defined liability	(11)	(321)
Actuarial gain or loss	1,084	9,311
Net defined benefit asset/(liability) at 31 July	<u>1,273</u>	<u>(1)</u>

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

	2024	2023
	£'000	£'000
Defined benefit obligations at start of period	23,819	32,086
Current Service cost	614	1,006
Interest cost	1,212	1,081
Contributions by Scheme participants	208	193
Changes in financial assumptions	422	(9,666)
Changes in demographic assumptions	(59)	(499)
Experience gain on defined benefit obligation	(129)	397
Estimated benefits paid net of transfers in	(802)	(779)
Defined benefit obligations at end of period	<u>25,285</u>	<u>23,819</u>

Changes in fair value of plan assets

	2024	2023
	£'000	£'000
Fair value of plan assets at start of period	23,818	23,255
Interest on plan assets	1,232	795
Return on plan assets	1,318	(501)
Administration expenses	(31)	(35)
Other actuarial gains	-	44
Employer contributions	815	846
Contributions by Scheme participants	208	193
Estimated benefits paid	(802)	(779)
Fair value of plan assets at end of period	<u>26,558</u>	<u>23,818</u>

WEST THAMES COLLEGE

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

24 RELATED PARTY TRANSACTIONS

During the financial year ended 31 July 2024, the College did not enter into any transactions with related parties as defined by IAS 24 - Related Party Disclosures. Specifically:

- There were no purchases or sales of goods and services between the College and any related parties.
- No related party loans were made to or from the College.
- The College did not provide or receive any guarantees to or from related parties.
- There were no other transactions with related parties that require disclosure under IAS 24.

Expenses of £nil were paid to or on behalf of the Corporation Members during the year (2022-23: £52)

Other than the Accounting Officer and staff representatives, no Corporation Member has received any remuneration or waived payments from the College (2022-23: £nil).

25 AMOUNTS DISBURSED AS AGENTS - LEARNER SUPPORT FUNDS

	2024 £'000	2023 £'000
16-19 bursary funding	483	397
Other funding body grants	99	206
Interest earned	-	-
	582	603
Disbursed to students	(176)	(181)
Administration costs	(7)	(8)
Balance unspent as at 31 July, included in creditors	399	414

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.