



SPARSHOLT COLLEGE HAMPSHIRE

**Report and Financial Statements
for the year ended 31 July 2023**

Sparsholt College Hampshire

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

Key management personnel are defined as members of the Strategic Leadership Team and were represented by the following in 2022/23

Julie Milburn	-	Principal and Chief Executive
Suzanne Grant	-	Deputy Principal and Deputy Chief Executive
Nathan Heslop	-	Director of Finance
Caroline James	-	Vice Principal & Dean of Higher Education (resigned 16 September 2022)
Darren Mernagh	-	Vice Principal & Dean of Higher Education (appointed 22 September 2022)
Mark Treagust	-	Vice Principal Curriculum (Sparsholt)
Ben Stokes	-	Vice Principal Curriculum (Andover)

Board of Governors

A full list of Governors is given on pages 17 and 18 of these financial statements.

Sally Willson, Head of Corporate Governance, was the Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditor and reporting accountants:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditor:

RSM
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Bankers:

NatWest plc
105 High Street
Winchester
SO23 9AW

Sparsholt College Hampshire

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Sparsholt College Hampshire

Report of the Governing Body

OBJECTIVES AND STRATEGY

The members of the Corporation present their report and the audited financial statements for the year ended 31 July 2023.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Sparsholt College Hampshire (the College) and was incorporated on 1 April 1993. In 2007, Sparsholt College Hampshire merged with the former Cricklade College to form one Corporation, with campuses at Sparsholt College and Andover College. The College controls three subsidiary companies, whose activities support the College's mission and objectives, and offers higher education at University Centre Sparsholt. The collective identity for these operations is the 'Sparsholt College Group'.

The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Corporation is also known as the Board of Governors.

Mission, vision, strategy and objectives

The Corporation is committed to supporting all students, staff, employers and wider stakeholders to be aspirational in their ambitions, to provide support throughout their unique and personalised journey with us and to enable them to make advances in their own careers, their organisations or as a community.

Our underpinning mission is expressed as '**Raising Aspirations, Unlocking Potential, Advancing Futures**'.

Our vision is to be an organisation with a nationally renowned reputation for success, which will be delivered by:

- Placing employers at the heart of our business;
- Delivering an innovative, high quality curriculum which meets the needs of the wider communities we serve;
- Maximising the talent, expertise and performance of our people;
- Providing an exceptional learning experience that focuses on success and progression; and
- Empowering a future workforce capable of positively influencing society and competing in the global jobs market.

Our curriculum offer, facilities and resources are structured to serve our communities, employers and learners:

- **Andover campus: the successful community tertiary college**

An extensive curriculum offer that covers a range of vocational, technical and academic qualifications from entry level to level 3, and a wide range of apprenticeship programmes and tailored business training.

- **Sparsholt campus: the specialist land-based college**

Specialist technical and vocational qualifications across all levels, including full-time, part-time apprenticeships, short professional courses and business training, delivered at our outstanding countryside campus.

- **University Centre Sparsholt: the connected Higher Education institution**

Vocational higher education which excels in 'research into practice' at Foundation, Honours and Masters degree levels, together with the offer of an Access to HE course providing an additional route into higher education.

Sparsholt College Hampshire

Report of the Governing Body (continued)

The Board commends the good progress achieved in 2022/23 towards reaching the three year strategic plan objectives, recognising the continuing agility demonstrated by all aspects of the Sparsholt College Group to function effectively whilst responding to external economic volatility, societal developments and sector policy and funding.

The College Group achieved a surplus financial outturn (before FRS 102 pension adjustments) through a growth in overall enrolments for 2022/23 and prudent financial management to respond to increases in energy and other costs.

Further Education ("FE") achievement rates are likely to exceed pre-pandemic (2018/19) results by 2%, the most comparable data set following Teacher Assessed Grades in 2019/20, Centre Assessed Grades in 2020/21 and the application of a 'level of generosity' in 2021/22. These results have been achieved despite learners' grades on entry not necessarily being indicative of ability. This undoubtedly has impacted their ability to perform at the higher level despite investment in wrap-around student support and small group tuition activities.

At our Andover campus, five curriculum areas (31.3%) were at/above or within 2% of the strategic aim of 90% achievement. The two areas with a notable decline were Construction and Music which will be subject to enhanced scrutiny by the College's quality improvement processes in 2023/24.

Whilst three curriculum areas (20.0%) were at/above or within 2% of the strategic aim of 90% at Sparsholt, a small number of areas noticed a decline as a consequence of synoptic assessment outcomes being downgraded following moderation – namely in Horticulture and Fish & Conservation.

Overall, significant improvements were seen in qualifications under internal enhanced quality scrutiny in 2022/23, including Motor Vehicle (Andover) +13.7%, A-level Sociology (+10.3%), Nat Cert Health and Social Care (+22.1%) and Apprenticeships – Horticulture (+26.6%).

This year's initiatives focussed upon reinforcing the Professional Learners standard of 'Ready, Respectful, Safe', with the aim to improve punctuality levels across both campuses (improvement of 2.3%), along with improving the numbers of learners involved in learner feedback and consultation through the rebranded Pulse Survey initiative (+33% engagement at Andover campus; +16% engagement at Sparsholt campus). In addition, 301 learners were awarded the Sparsholt Certificate, recognising those who go 'above and beyond' during their time with us. The scheme was enhanced through a 'gold/ silver/ bronze' categorisation to further reward the strongest applications.

Overall, the results continue to give the Board of Governors confidence that the quality improvement strategies which have been put in place are supporting the College to make progress towards overall 'outstanding'.

University Centre Sparsholt students maintained positive outcomes with 65% of BSc graduates achieving a First or 2:1 and 40% of both FdSc and MSc graduates achieving a Distinction or Merit. Delivery has returned to in-person classes, with targeted support for students as required. There has been a full review of assessment practices to recognise the diversity of our students, including the return of some formal written examinations where this makes for sound pedagogy. Updates to practices have resulted in a significant increase in positive outcomes, with more degrees awarded and fewer students required to return to resit or repeat modules.

The College has continued to work collaboratively with stakeholders locally, regionally and nationally to evolve our FE and HE provision, informing the national land-based skills agenda and supporting Surrey Chambers of Commerce to develop the Local Skills Improvement Plan. The College has worked with over 1,800 employers during the year, engaged employers in development and delivery of the curriculum and supported employers with apprenticeship and training.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Resources

In support of achieving its mission and objectives, the College harnesses, safeguards and invests in a range of key resources:

Students: The College enrolled approximately 4,150 funded and 850 non-funded students. Students continue to prosper at the College. The Headline Achievement Rate was 77.2% (2022: 82.3%) and the Apprenticeship Achievement Rate was 60.0% (2022: 54.5%).

People: The College Group has a significant number of employees which equates to 413 people (expressed as full time equivalents "FTE"), of whom 152 FTE are teaching staff, and supports their continuous professional development. Our excellent teams of staff are our greatest asset, experts within their fields and demonstrate outstanding commitment to their roles.

Buildings and facilities: The College continues to invest substantially in its estate to develop the curriculum and enhance the student experience, with an ambitious five year property strategy supported by capital funding grants.

On our Andover campus, the introduction of new T Levels has seen bespoke health and science (nursing) and digital facilities installed and the expansion of the Technology and Future Skills Centre (construction) is underway. On the Sparsholt campus, a major project is in progress to deliver a new Agritech Centre and Wet Lab in 2023/24 to support the launch of land-based T Levels from September 2023, with robotic dairy facilities and upgrades to the farm estate. This represents substantial investment of £4.7 million supported by the DfE T Level Capital Fund and College reserve match funding, in addition to ESFA funded Specialist Equipment Allocations.

The College has also invested £0.2 million in facilities across both campuses to support the development of skills for green jobs, including in relation to electric vehicles, sustainable construction and advancements in agriculture and horticulture.

Financial: The College has £49.0 million of net assets and bank loans of £3.7 million.

Reputation: Sparsholt College has a well established reputation as a leading institution for land-based provision and for excellent links with employers both locally and nationally. Andover College continues to develop its curriculum offer to respond to the needs of the local community and businesses and enhance Andover Sixth Form's reputation as a top performing A-level provider.

Together, Sparsholt College and Andover College achieved a rating of Good at the last published Ofsted inspection and at the time of writing are awaiting the published outcome of their recent Ofsted inspection held in October 2023. The College also achieved a rating of Outstanding in 2022 for Sparsholt College's residential provision. Students at University Centre Sparsholt, which offers Higher Education programmes validated by the University of Portsmouth and is registered with the Office for Students, repeatedly acknowledge its expert teaching and industry links.

The College's students and staff achieved a host of accolades during the year, with highlights including a Gold medal at RHS Chelsea Flower Show, finalist in the AOC Beacon Awards for 'College Engagement with Employers', Teaching & Learning award at the Hampshire Education Awards 2023, Generation Barber, IoM Accredited Master Butcher, runner up in the regional Young Horticulturalist of the Year, BBC Food & Farming Countryfile Young Countryside Champion, National Champion at the British Riding Club NAF Five Star National Championship, and Young Gamekeeper of the Year.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Stakeholders

The College recognises the value of engagement with a wide range of stakeholders, ensuring that we are well informed about their interests and actively seeking collaborations to develop the curriculum, deliver the skills needs of learners and employers, and benefit its long term financial performance, as well as responding to the requirements of regulators and funders.

In 2022/23, the College led a collaboration of FE colleges to complete the delivery of new facilities, technology and teaching materials to develop skills for green jobs in the region, funded by the ESFA's Strategic Development Fund. The College subsequently co-represented partner colleges to support development of the new Central/North Hampshire and Surrey Local Skills Improvement Plan with the Employer Representative Body. The College initiated collaborative events with representatives from college governing bodies to support both projects.

Key stakeholder relationships include:

Students and staff	<ul style="list-style-type: none">• Current and prospective students, trainees and learners from the wider local and business community• Members of staff of the College and its subsidiaries, and their trade unions
Civic stakeholders	<ul style="list-style-type: none">• Local Enterprise Partnerships (Enterprise M3) ("LEP")• Employer Representative Bodies (Hampshire and Surrey Chambers of Commerce)• Hampshire County Council as the main Local Authority and Winchester City Council and Test Valley Borough Council as the District/ Borough authorities closest to the College's campuses• The Defence and Armed Forces community locally
Education providers	<ul style="list-style-type: none">• University of Portsmouth as the degree awarding body for University Centre Sparsholt• Colleges in the wider region and land-based sector• Other universities (Winchester and Surrey)• Schools in and around Winchester and Andover, and the wider Hampshire, Wiltshire, Dorset areas• Landex (Land-based Colleges & Universities Aspiring to Excellence) and National Land Based College
Employers	<ul style="list-style-type: none">• Over 1,800 employers from the land-based business community in many parts of the UK and employers from the local business community of mid and north west Hampshire
Community partners	<ul style="list-style-type: none">• Local community organisations and projects in the Andover and Winchester area• Land-based forums and rural community organisations• Local charities
Other	<ul style="list-style-type: none">• Third sector organisations and accreditation bodies, such as the Royal Horticultural Society, Royal College of Veterinary Surgeons, British Horse Society, British & Irish Association of Zoos and Aquariums and Matrix

The College publishes a value for money statement for students on the College website showing where our money came from in the previous year and how it was spent.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Public benefit

Sparsholt College Hampshire is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Board of Governors, who are trustees of the charity for the purposes of charity law, are disclosed on pages 17 and 18. In setting and reviewing the College's strategic objectives, the Board has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

The College provides identifiable public benefits through the provision of high quality further and higher education, together with wellbeing and support mechanisms, including for 344 students with an Education and Health Care Plan of which 169 identified as high needs. The College ensures clear pathways to further education and employment and adjusts its courses to meet the skills needs of local and national employers and by providing training to apprentices and employees. In collaboration with a group of regional colleges, universities and the LEP, the College has developed an online platform, Innovation South Virtual Campus, which delivers free online learning to employees across different sectors serving the regional economy. In addition, the College has a longstanding partnership with Jobcentre Plus. The College is committed to providing information, advice and guidance to its students and to widening access and participation in education.

DEVELOPMENT AND PERFORMANCE

Financial results

The Corporation reported total comprehensive income in the year of £9.4 million (2022: £15.9 million). The underlying operational performance for the year was a surplus of £156,000 (2022: £41,000), with the reconciling movements relating to the movement on the swaps valuations and FRS 102 pensions adjustments, as shown in the table below.

Total comprehensive income summary:

	2022/23	2021/22
	£000	£000
Surplus before FRS102 pension adjustments	156	41
FRS102 pension charge in staff costs	(229)	(1,411)
FRS102 pension interest charge	(324)	(418)
Deficit for the year	(397)	(1,788)
Net movement on swaps agreements	79	98
Actuarial gain in respect of pension schemes	9,698	17,577
Total Comprehensive Income for the year	9,380	15,887

Sources of income: The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23, the funding bodies provided 68% (2021/22: 65%) of the College's total income, primarily from the Education and Skills Funding Agency for 16-18 provision. Other significant areas of income in the year were HE and FE tuition fees.

Sparsholt College Hampshire

Report of the Governing Body (continued)

The College received substantial capital grant funding in 2022/23 totalling £5.3 million; £4.9 million funded by the ESFA and £0.4 million by the OfS. The majority of this grant funding, £2.9 million, was an allocation towards specialist equipment required for the implementation of T Levels in agriculture, environmental and animal care, creative and design, education and early years and engineering and manufacturing. This was received in March 2023 and detailed plans are in progress to identify and purchase suitable equipment. An allocation of £0.8 million was received in May 2023, being the first instalment of the £1.6 million Capital Transformation Fund for estate improvements. The College has until 31st March 2026 to complete these works. £0.6 million allocation was received from the ONS Reclassification Fund for general estate improvements to be completed by 31st March 2025. Initial work has commenced on windows and bathrooms, with the majority of the works planned for 2023/24. A further £0.2 million was received from the Capital Energy Efficiency Grant. The OfS funding of £0.4 million includes the first instalment of a £3.9 million award to provide a dedicated Higher Education science centre. Funding was also received from the ESFA Strategic Development Fund to support education for green skills jobs, with £0.2 million of capital funding and £0.4 million of revenue funding being recognised at 31st July 2023. The College has also been awarded DfE T level Capital Build funding totalling £2.3 million. This is being received from the DfE on an arrears claims basis and as at 31st July 2023, £0.2 million had been received.

Reserves: The College Group has accumulated reserves as at 31 July 2023 of £49.0 million (2022: £39.6 million) and cash balances of £12.7 million (2022: £7.5 million). The improvement in reserves is due to the valuation of the Local Government Pension Scheme which for 2022/23 has been valued as a net asset by the actuaries. The plan's liabilities have improved by £9.1 million (2022: £15.7 million) year on year, which includes an asset ceiling adjustment of £0.6 million. Whilst the scheme is in a net asset position, the surplus has not been recognised as the College is not able to recover the surplus either through reduced contributions or refunds from the scheme. The cash balances include £4.6 million of capital grants that are ringfenced for capital projects and subject to clawback if unspent. In addition, the College has a match funding commitment of £2.4 million for these capital projects.

Developments: Tangible fixed asset additions during the year amounted to £2.5 million. This was split between equipment purchased of £1.1 million, assets under construction of £0.9 million and land and buildings improvements of £0.5 million. The College has several exciting major projects under construction as at 31st July 2023, all of which are part or fully grant funded. These are: a) the development of a robotic dairy and Agritech Wet lab, b) an extension to the Construction skills building on our Andover campus, c) a dedicated purpose built HE science centre, d) a purpose built centre for our learners with special educational needs and e) the nursing ward and digital areas on our Andover campus. Equipment purchased includes £0.3 million for T level specialist equipment in the nursing, digital and construction curriculum areas and £0.2 million for green technology curriculum equipment including electric vehicles, solar panel rigs and air source heat pump training rigs. These were fully funded by the ESFA T Level allocation for specialist equipment and Strategic Development Fund.

Cash flows & liquidity: At £3.1 million (2022: £2.1 million), the net cash inflow from operating activities continued to be healthy and bank covenants on our loans have been met.

Group companies

The College has three subsidiary companies: Andover Town Football Club Limited, Sparsholt College Services Limited and Westley Enterprises Limited.

Andover Town Football Club Limited has the following objectives;

- To enhance the College's sports curriculum and football academy by providing regular access to higher level football;
- To provide an educational pathway for students aged 16-19 and progression opportunities for 19+; and
- To support the development of community links within Andover.

Andover Town Football Club Limited had a good league performance in 2022/23, finishing a respectable seventh in the Wessex League Division One. The club made a small surplus and intends that the distributable profits for the current financial year of £367 will be donated to Sparsholt College Hampshire under a qualifying charitable donation.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Sparsholt College Services Limited principal activities are:

- To provide support services, activities and functions to the College, including finance, information technology, human resources, marketing, premises and student support.

Sparsholt College Services Limited continued to fully provide support services to the College under its cost plus arrangement. Sparsholt College Services Limited intends that the distributable profits for the current financial year of £652,470 will be donated to Sparsholt College Hampshire under a qualifying charitable donation.

Westley Enterprises Limited has the following principal activities:

- Provision of conference and seminar facilities;
- Provision of Equine Centre facilities to external customers; and
- Research and consultancy.

Westley Enterprises Limited's performance continued to improve after the adverse effects of the Covid-19 pandemic, with conference centre activities materially back to pre-pandemic levels. The company generated a surplus in the year of £46,182 and this has been transferred to the College as a qualifying charitable donation under Gift Aid under a deed of covenant.

FUTURE PROSPECTS

Future developments

On the Sparsholt campus, planning is underway for the development of a new Higher Education science centre opening in Autumn 2024 to provide bespoke facilities for University Centre Sparsholt, supported by a grant from the Office for Students. This, together with the new Agritech centre being constructed in the coming year and the completed Animal Health & Welfare Research Centre, will offer outstanding specialist facilities to prepare FE and HE students for progression and employment within the land-based sector. Supported by the T Level Capital Fund, the College is also developing a new Business Skills Centre on the Andover campus to provide a professional working environment for business administration, legal, finance and accounting T Levels.

Hampshire County Council has awarded the College a grant of £550,000 to support the expansion of delivery of post 16 SEND provision on both campuses with new classrooms and facilities, of which £25,000 has been received to date.

Additionally, aligned to objectives within the College's Sustainability Strategy, ESFA Energy Efficiency Grant funding will be used to deliver the following projects in 2023/24 - enhanced use of solar energy by incorporating battery storage into the existing system, installation of further photo voltaic panels onto the recently built Animal Health and Welfare Research Centre, and installation of a boiler control system to reduce fossil fuel consumption at the Sparsholt campus.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Curriculum developments

The strategy for the curriculum is to continue to maintain a strong land-based offer in Further Education, Apprenticeships and Higher Education at the Sparsholt campus, and a broad tertiary offer at Andover, to include Vocational, T Level and A level routes to higher level studies or relevant employment. The curriculum continues to evolve in order to remain alert to market and skills demands with reference to the Local Skills Improvement Plan and Labour Market Intelligence, whilst aligning with the functional education reforms set out in the Skills and Post-16 Education Act. This includes the growth of higher education, including the introduction of new pathways, modes of study and doctorate level provision.

The Local Skills Improvement Plan ("LSIP") for the Enterprise M3 area including all of Surrey has identified nine key sectors (**Advanced Manufacturing and Engineering**, Aerospace, **Construction**, Creative, **Health and Social Care**, Hospitality and Tourism, **IT**, Land-based (including Animal Health and Welfare) and Professional Services). There is significant overlap with the National Skills Priorities ("NSPs") (those in bold), with the addition of Science and Maths, and Haulage & Logistics at a national level.

The Annual Accountability Statement demonstrates our commitment to addressing both local and national skills priorities. On both campuses we continue the migration to T Level qualifications (in subjects where they currently exist) ensuring their curriculum is career-focussed with extended work and industry placements a key component of these study programmes. To address identified regional skills shortages identified from employer feedback or LSIP/ NSP priority areas, the apprenticeship offer has been extended on both campuses. At Andover, five new standards cover aspects of digital, creative, engineering and professional services, whilst a further five standards offered at Sparsholt are in the land-based sector. Supporting SEND learners to access meaningful employment opportunities remains a key priority with both the Employability Hub and Independence Hubs now operational on both campuses. Expansion into emerging curriculum areas which support the green agenda continues with a focus on production horticulture in 2023/24.

University Centre Sparsholt offer continues to expand with higher apprenticeships in Countryside Ranger at Level 4, Level 5 Vet Technician (Livestock), Level 6 Agriculture/ Horticulture Professional Advisor and Level 7 Ecologist.

Provision for adults continues to be extended and grown each year, including the development of a range of online and in-person learning solutions with a new curriculum offer that promotes sustainability and the low carbon sector. The online offer focuses on electric vehicle technology courses and climate change modules, whilst in-person includes practical electric/ hybrid vehicle technology courses and installation of heat pump systems and solar PV systems. At Andover, the delivery of a construction skills programme in collaboration with Building Heroes will provide for the retraining of ex-military personnel in the local area, and a bespoke short course offer 'Pathways into Healthcare Professional Roles' will target local shortages in the Health & Social Care sector.

At both campuses, the College also continues to maintain good relationships with local secondary schools and provides access to a specialist curriculum at 14-16.

Financial plan

The Board of Governors approved a financial plan in July 2023 which sets objectives for the period to 31 July 2024, including the objective for the College to maintain sound financial health in order to deliver its mission and continue to invest in its future. The College aims to maintain a financial health rating of 'good' or better and achieve a small surplus in the year to 31 July 2024 (before FRS102 pension adjustments).

The College has subsequently received a new funding allocation from the ESFA for the academic year 2023/24. Due to the significant nature of this additional funding, an updated financial plan has been presented to and approved by the Board of Governors at their meeting on 5th October 2023. This updated budget highlights a projected improvement in the College's operating surplus whilst allowing for a substantive pay award across the Group.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. The College's Treasury Management Policy is contained within the Financial Regulations approved by the Board. All borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received whichever is later. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College aims to pay all correctly presented valid invoices within that period and incurred no interest charges in respect of late payment for this period.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Corporate Governance and Internal Control. The College's Risk Management Policy, approved annually by the Board of Governors alongside the Strategic Risk Register, details roles, responsibilities and procedures for risk management. The Audit Committee reviews the Risk Register and controls termly and reports to the Board.

The key strategic risks identified by the College are summarised below, grouped in relation to the College's strategic aims, together with the range of controls in place to reduce and mitigate the risks. The assessment of current risks takes into account the reclassification of colleges by the ONS to the public sector. Not all factors are within the College's control and other factors beside those listed may also adversely affect the College.

Key Strategic Risks	Controls
Excellence	
<ul style="list-style-type: none">• Ensuring regulatory quality compliance and achieving strategically significant quality marks.• Achieving English and Maths outcomes targets through recruiting high quality teaching staff, delivering a quality learning experience and developing effective monitoring and support processes.	Comprehensive teaching, learning, curriculum delivery and quality improvement strategy and processes, including self -assessment and external review, teaching and learning observations and targeted staff development, a tracking system for students at risk of retention or achievement, promotion of learner academic skills, attitudes and behaviours, monitoring of quality improvement plans, Additional Learning Support mechanisms, termly reporting to Quality and Standards Committee, and investment in IT/ILT infrastructure and teaching facilities.
<ul style="list-style-type: none">• Developing and delivering appropriate curriculum provision in response to qualification reforms and new apprenticeship standards.	Engagement with policy and curriculum reforms, planning of T level launches, employer feedback, a dedicated industry work placement team, learner progression plans and curriculum subject profiles, marketing communication of new offers, monitoring by Curriculum, Skills & Stakeholders Committee.

Report of the Governing Body (continued)

Key Strategic Risks	Controls
Resilience and Growth	
<ul style="list-style-type: none"> • Generating appropriate funding through learner enrolments. • Meeting recruitment and income growth targets. • Achieving commercial activity financial targets. 	Tracking and analysis of recruitment and enrolment data, strategic targeted marketing activity, scrutiny of budget assumptions and management accounts, review of contribution analysis by curriculum area, monitoring of commodity prices, pension cost controls, procurement and contracts, employer liaison activity, integrated CRM system, development of new collaborative projects, tracking and acting on key performance indicators.
<ul style="list-style-type: none"> • Managing severe business disruption caused by external events and developments. 	Monitoring of local risk assessments, staff, unions and stakeholder communications, animal quarantine procedures and facilities, performance meetings with primary subcontracted service providers, crisis management plan and procedures.
<ul style="list-style-type: none"> • Protecting against a cybersecurity breach or IT/ systems failure. 	IT systems resilience, testing and back-up mechanisms, use of cloud storage, identification and sharing of critical skills, Cyber Essentials accreditation, staff testing and training, external evaluation and internal audit.
<ul style="list-style-type: none"> • Avoiding serious breach of legislative, regulatory or contractual obligations across the College Group operations. 	Monitoring and reporting of key legal and compliance duties (including public sector financial and approval requirements), internal controls and risk management processes, whistleblowing policy and procedures, management training in key areas, employment legal advice service, policy reviews and internal audits.
<ul style="list-style-type: none"> • Recruiting and retaining a quality workforce in the context of sector and wider economic challenges. 	Training and development of staff and managers, recruitment and reward strategies and practices, mechanisms for staff feedback, implementation and review of health and wellbeing strategy and action plan and compliance with public sector pay requirements.
<ul style="list-style-type: none"> • Managing the increasing prevalence of safeguarding and mental health needs for students. 	Provision of student Wellbeing Hubs, expansion of the Study+ programme, learner workshops and counselling, safeguarding system (CPOMS), range of reporting routes and surveys for students and staff, targeted support, safeguarding leadership oversight, Wellbeing strategy and action plan, staff training and engagement with local agencies and partners.
Innovation	
<ul style="list-style-type: none"> • Financing and delivering the five year property strategy. 	Submission of funding bids and identification of additional third party capital investment routes, project management and specialist consultancy support, carbon reduction plan, value for money procurement initiatives, progress reporting of capital projects to Resources Committee.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Key Strategic Risks	Controls
Collaboration	
• Developing effective strategic alliances and stakeholder relations to support achievement of strategic aims.	Senior leader engagement with employer representative bodies and local authorities, integrated employer engagement system, regular updates with LSIP partners and LEP, extensive stakeholder engagement activity.
Sustainability	
• Identifying, understanding and responding to climate change potential threats and opportunities.	Delivery and monitoring of the sustainability strategy, Green Skills as overarching theme in the LSIP, processes for engagement with staff and learners, integration with the property strategy, specific actions on both campuses, publication of an annual report on sustainability strategy and carbon emissions, senior leader membership of external sustainability forums.

EQUALITY, DIVERSITY AND PARTICIPATION

Equality and Diversity

The College is committed to advancing equality of opportunity and to avoiding discrimination, harassment and victimisation in all its activities. The Board of Governors has approved a Single Equality Scheme, published on the College website, progress against which is reviewed and reported to the Board annually. A Wellbeing Committee exists to monitor delivery of the Single Equality Scheme, alongside Safeguarding (including Prevent) and Health & Safety and meets termly.

The Single Equality Scheme addresses the College's responsibilities under the Equality Act 2010 and brings together the College's commitments to equality and diversity, including its plans across the organisation. Our objectives demonstrate the College's wholehearted commitment to continued action in tackling inequality and promoting diversity. The College will continue with its efforts to break down barriers and challenge unfairness and ensure opportunities and experiences which help people and communities reach their full potential.

The College's Gender Pay Gap reports for the previous two years are published on the College website.

Widening Participation

The College views bursary awards as important in helping to ensure access to education from families who would otherwise be unable to access the College's services. Our bursary awards are available to all who meet its general entry requirements and are made solely on the basis of means or to relieve hardship where a student's education and future prospects would otherwise be at risk. Further details of our policies on bursaries and fees are available on our website.

The College is regulated and funded for Higher Education by the Office for Students ("OfS"). The College's access and participation plan describes the amount of additional student fee income to be spent on access measures and how the College will improve equality of opportunity for under represented groups to access, succeed in and progress from Higher Education. The latest access and participation plan approved by the OfS is published on our website.

Sparsholt College Hampshire

Report of the Governing Body (continued)

Safeguarding

The Corporation is committed to safeguarding and promoting the wellbeing of our students and expects all staff to share this commitment. The Safeguarding Learners Policy and Procedures are updated annually to incorporate changes to statutory guidance on child protection and safeguarding procedures, including Prevent.

New staff are trained as part of their induction on these matters, and a rolling CPD programme ensures all staff are up to date with current and emerging issues. The Board annually appoints a nominated governor who undertakes a lead role for safeguarding, meeting termly with the designated safeguarding team and reporting to the Board, providing assurance on the effectiveness of safeguarding in addition to management reports to the Board.

Trade Union Facility Time

The Trade Union Act 2016 introduced a requirement for public sector employers to publish certain information annually in respect of trade union facility time. The relevant reporting period is 1 April to the following 31 March every year and for the data to be published no later than 31 July.

Trade Union Facility Time Data for the period 1 April 2022 to 31 March 2023

Table 1 – Relevant trade union officials

Number of employees who were relevant trade union officials during the relevant period	Full-time equivalent number of employees
1	256

Table 2 - Percentage of time spent on facility time

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

Table 3 – Percentages of pay bill spent on facility time

	College Data
The hourly cost for each relevant union official employed during the period (includes basic salary, pension contributions and NI contributions)	£24.33 per hour*
The number of paid facility time hours per official over the 12 month period	10
Total cost of facility time	£243.30
Total pay bill (includes employers National Insurance and Pension contributions)	£10,463,194
Percentage of total pay bill spent on facility time	0.002%
Time spent on paid trade union activities as a % of total paid facility time hours	50%

*Notional hourly cost

Sparsholt College Hampshire

Report of the Governing Body (continued)

GOING CONCERN

The activities of the Group and the College, together with the factors likely to affect its future development and performance are set out in the Report of the Governing Body. The financial position of the Group and the College, its cashflow, liquidity and borrowings are presented in the financial statements and accompanying notes.

As at 31 July 2023, the College had £3.7 million of bank loans outstanding with commercial lenders negotiated between 2006 and 2013. All of these are on an unsecured basis.

As at 31 July 2023, the College had cash balances of £12.7 million. This includes £4.6 million of grants that are ringfenced for the capital projects and will be clawed back by the ESFA or OfS if they are unspent. The College also has a match funding commitment of £2.4 million for these projects. The College has prepared prudent budgets for 2023/24 and 2024/25 which both present a small surplus position. The College continues to work to reduce energy usage and is liaising regularly with energy brokers to achieve the most appropriate energy solutions for the College. In addition, the College is working to achieve cost savings in other areas wherever possible and practicable. The College has no requirement for any additional borrowings to service its ongoing operations given the built up reserves and so no cash flow support is likely to be needed and staff and suppliers can continue to be paid for the foreseeable future.

The College continues to maintain good relationships with all three of its banking lenders with regular meetings throughout the year and has met all loan covenants for 2022/23 and is forecast to do so for 2023/24.

Accordingly, after making appropriate enquiries, the Board of Governors considers that the College has adequate resources to continue in operational existence for a period of least 12 months from the date of approval of these financial statements. For this reason the College will continue to adopt the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

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

Approved by order of the members of the Board of Governors on 8 December 2023 and signed on behalf of Sparsholt College Hampshire by:



N Hopkins
Chair of Governors

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 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); and
- ii. in accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges.

The Board of Governors 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 and has complied throughout the year ended 31 July 2023 with the Code of Good Governance for English Colleges which it formally adopted on 1 October 2015.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear in the Report of the Governing Body preceding this statement.

THE CORPORATION

The Board of Governors

The members who served on the Board of Governors during the year and up to the date of signature of this report are listed in the table below.

Member	Date appointed	Term of office	Date of resignation/ end of term	Status of appointment	Committees served	Attendance 2022/23
G Davies	01.09.21	4 years	–	External	Audit (Chair from 01.04.23), Q&S	91%
J Emm	01.01.20	4 years	–	External SCS Staff	Resources	89%
T Floyd	07.07.17 reappointed 08.07.21	4 years 4 years	–	External	CSS (Chair), Resources	75%
N Hopkins Chair from 01.08.18	11.07.13 reappointed 11.07.17 11.07.21	4 years 4 years	–	External	G&S (Chair); Remuneration, Resources (Chair)	100%
P Jordan	03.04.22	4 years	–	External	G&S (from 01.01.23), Remuneration (from 01.01.23), Resources	91%
J Lander	01.05.20	4 years	–	External	Resources	89%
M Lauder Co Vice Chair from 12.12.20	01.09.18 reappointed 01.09.22	4 years 4 years	31.03.23	External	G&S; Audit (Chair); Remuneration	100%
C McCormack	01.09.22	4 years		External	Audit (from 01.04.23)	57%

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

Member	Date appointed	Term of office	Date of resignation	Status of appointment	Committees served	Attendance 2022/23
J Milburn	01.08.20	Duration as Principal	—	Principal	CSS, G&S, Q&S, Resources	100%
N Moody	01.05.20	4 years	—	External	CSS, G&S	75%
S Morgan	09.03.12 reappointed 09.03.16 09.03.20	4 years 4 years 4 years	—	External	CSS	100%
G Morris	07.07.22	Duration of enrolment	30.06.23	FE Student	CSS	34%
A Neal	14.12.17 reappointed 03.04.21	4 years 4 years	—	External	Remuneration (Chair); Resources	80*%
J Orlowski	28.11.22	Duration of enrolment	—	HE Student	Q&S	86%
H Perry	22.03.18 reappointed 19.05.22	4 years 4 years	— —	Staff	Q&S	67%
S Rai	01.09.22	Duration of enrolment	30.06.23	FE Student	Q&S	14%
C Wilson Vice Chair from 01.08.18	11.07.13 reappointed 11.07.17 11.07.21 11.07.22	4 years 4 years 1 year 2 years	—	External	Audit, Q&S (Chair)	100%

Notes:

Attendance figures are for all Board and committee meetings convened during 2022/23.

CSS = Curriculum, Skills & Stakeholders Committee

G&S = Governance & Search Committee

Q&S = Quality & Standards Committee

SCS = Sparsholt College Services Limited

S Willson, Head of Corporate Governance, acted as Clerk to the Corporation.

The governance framework

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board and its committees are provided with regular and timely information on the overall financial performance of the College, together with other information such as performance against targets, quality matters and resources matters such as capital expenditure, human resources, health and safety, safeguarding, equality and sustainability.

The Board of Governors meets at least once each term and facilitates its business through a number of committees: Audit; Curriculum, Skills & Stakeholders; Governance & Search; Quality & Standards; Remuneration; and Resources. Each committee has terms of reference which have been approved by the Board. Full minutes of all meetings, except those deemed to be confidential by the Board, are available on the College website. The papers accompanying the agendas for the meetings (except papers designated as confidential) are available for inspection in the Head of Corporate Governance's office at Sparsholt College Hampshire, Sparsholt, Winchester, Hampshire, SO21 2NF.

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

The Head of Corporate Governance maintains a register of financial and personal interests of members of the Board of Governors, co-opted committee members, cost centre managers, and directors of the subsidiary companies. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to Governors in a timely manner prior to meetings. Briefings and training are provided via a range of formats throughout the year. Governors also undertake 'Link' visits to deepen their understanding of areas of College Group activity.

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

There is a clear division of responsibility in that the roles of the Chair of Governors and the Principal, who is also the Accounting Officer, are separate.

Board of Governors' Performance

The Board of Governors undertakes a self-assessment of its own performance annually, encompassing a range of evaluation activities such as feedback surveys, committee effectiveness reviews, internal audits, review of subsidiary company governance arrangements, and the outcomes of external scrutiny of the College during the year. The action plan arising from the 2021/22 internal review was implemented in 2022/23 with actions relating to:

- Responding to regulatory/ governance developments: implementation of new processes for reviewing and reporting on meeting skills needs; collaboration with other colleges; submission of the College's new Accountability Agreement
- Strategic vision, performance and risk: implementation of additional activities to increase direct contact with key stakeholders
- Governance structures and meetings: review of the governance of wellbeing matters; and
- Composition, skills and behaviours: completion of recruitment and membership priorities.

The Board's 2022/23 internal performance review recognised that the Board had continued to adapt its operations in response to FE and HE sector developments and confirmed that the Board is operating effectively overall and is committed to its continuing development. A draft action plan has been agreed which will be updated following the conclusion of the external governance review taking place during 2023/24.

Governors have engaged positively with the Board's training, development, induction and Link visits activities, participating in two Governors' Seminars, including sessions on FE quality, HE governance and SEND. Governors' reports of their Link visits to areas of the College and briefings from the Head of Corporate Governance on sector and College developments have been circulated regularly to keep governors' knowledge up-to-date. Additionally, governors have undertaken targeted external development through the Association of Colleges ("AOC") Governor Induction sessions, Education and Training Foundation ("ETF") governance development programme, webinars in relation to the ONS reclassification of the sector to the public sector, and opportunities for information and good practice sharing provided by the AOC committee chairs networks and the AOC chairs & vice chairs forum.

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

The Board is also committed to the continual professional development of the Head of Corporate Governance who kept up-to-date with legal/ regulatory changes and governance practices in 2022/23 through participation in the AOCSE governance networks and AOC governance conference, ETF governance professionals development workshops and mentoring, and specialist subject webinars from legal firms and auditors. The Head of Corporate Governance also completed the ETF and Institute of Directors' Governance Professionals Leadership Programme.

Audit Committee

The Audit Committee comprises three Governors (excluding the Principal and the Chair of Governors) and two co-opted members. The Committee operates in accordance with written terms of reference approved by the Board. The committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the committee for independent discussion, without the presence of College management. The committee also receives and considers reports from the main Further Education funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow up reviews to ensure such recommendations have been implemented.

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

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

Committee member	Meetings attended
G Davies (Chair from 01.04.23)	3
A Fagg	1 out of 3
M Lauder (Chair to 31.03.23)	2 out of 2
C McCormack (from 01.04.23)	0 out of 1
SJ Radford	3
C Wilson	3

Curriculum, Skills and Stakeholders Committee

The Curriculum, Skills & Stakeholders Committee oversees the strategic direction, intent and impact of the College's curriculum and related stakeholder engagement. The committee advises the Board on how the College's education and training offers meet the skills needs of learners and employers, and monitors student progression and outcomes and the provision of careers education. The committee also oversees delivery of the Higher Education Access and Participation Plan.

Appointments and the Governance and Search Committee

Any new appointments to the Board of Governors and its committees are a matter for the consideration of the Board as a whole. The Governance and Search Committee is responsible for the selection and nomination of any new external member or co-opted committee member for the Board's consideration. Members of the Board are appointed for a term of office not exceeding four years and, other than in exceptional circumstances which are assessed by the committee, not for more than two terms.

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

The committee oversees the induction programme and ongoing training and development of members and governance performance review policies and procedures. The committee also provides advice on the constitution of the Board and recommends representation of the College on the boards of directors of subsidiary companies, taking into account parameters set by legislation and guidance on good governance.

Quality and Standards Committee

The Quality and Standards Committee monitors and considers the effectiveness of the College's quality assurance systems in ensuring measurable gains in educational performance and student experience and outcomes. The committee oversees the College's Further and Higher Education quality processes, considering feedback from students and external reviews and contributing to the setting of educational performance indicators and targets which inform strategic planning and lead to continued improvement and consistency.

Remuneration Committee

The Remuneration Committee's responsibilities are to oversee policies and make recommendations to the Board on the remuneration and benefits of the Principal, other senior post-holders and the Head of Corporate Governance and to monitor performance of the individuals. The Board has adopted the AOC's Senior Staff Remuneration Code, has regard to the Higher Education Senior Staff Remuneration Code and publishes an annual remuneration statement on the College's website. The senior post holders within the remit of the Committee during 2022/23 were the Principal and Deputy Principal. The Director of Finance is a senior post holder of Sparsholt College Services Limited. Details of remuneration for the year ended 31 July 2023 are set out in note 7 of the financial statements.

Resources Committee

The Resources Committee advises the Board of Governors on financial matters, property strategy and delivery of capital projects, human resources and sustainability. The committee recommends the annual income and expenditure budget for approval by the Board and considers reporting on matters likely to impact on the College's financial plans and objectives.

INTERNAL CONTROL

Scope of responsibility

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

The Board has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to the Accounting Officer in the Funding Agreement between Sparsholt College Hampshire and the funding bodies. The Accounting Officer is also responsible for reporting to the Board of Governors 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, the impact should they be realised and to manage them efficiently, effectively and economically. The Risk Management Policy describes the system of internal control and has been in place in Sparsholt College Hampshire for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements.

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that the Risk Management Policy defines an appropriate process for identifying, evaluating and managing the College's significant risks and that this has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and financial statements. This Risk Management Policy is reviewed and approved annually by the Board of Governors.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Governors;
- regular reviews by the Board of Governors of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance; and
- clearly defined internal financial regulations.

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 Board of Governors on the recommendation of the Audit Committee. As a minimum, annually, the Head of Internal Audit ("HIA") provides the Board of Governors 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 Board of Governors

Risk management is a central part of the College's corporate governance arrangements. The College's Risk Management Policy sets out how the College methodically identifies and addresses risks that might impact on the College's ability to achieve its strategic objectives and defines the associated controls and assurance mechanisms in the risk register.

Risks set out in the risk register are identified and evaluated by the SLT and reviewed by the Audit Committee, reporting to the Board of Governors. The severity of each risk is evaluated through a risk scoring model on the basis of materiality multiplied by the likelihood of the risk occurring. The Risk Management Policy defines the scoring criteria for each assessment and the range of scores which define very high/ high/ medium/ low risks. High risks are judged to have a high impact and a high probability of occurring and require the immediate consideration of controls to manage them. Risks are evaluated and reported both with and without controls applied and it is the responsibility of the SLT to carry out the actions required to mitigate and monitor the risks. The Audit Committee also advises the Board on areas of risk identified as a result of its work.

The principal operational, financial, compliance and other risks faced by the College are set out in the Report of the Governing Body.

Control weaknesses identified

No significant internal control weaknesses or failures have been identified by the internal auditors or by the College during the year and up until the accounts being signed.

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

Responsibilities under funding agreements

The Corporation has taken reasonable steps to ensure that funds from the ESFA are used only for the purposes for which they have been given and any other conditions that may be prescribed from time to time and that there are appropriate financial management controls in place to ensure that contractual requirements have been complied with.

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

Statement from the Audit Committee

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

The Audit Committee was informed by the 2022/23 annual internal audit opinion of RSM, which confirmed that the Corporation has an adequate and effective framework for risk management, governance and internal control, with some further enhancements identified, and by specific areas of work undertaken by the Audit Committee in 2022/23 and up to the date of the approval of the financial statements, including:

- Assurance: internal audit reports on key financial controls (management accounts), readiness for T Levels, and risk management (responding to climate change) provided substantial assurance that systems and controls were designed and operated effectively. The outcomes of the advisory internal audits of Learner Number System and GDPR governance were satisfactory. Management agreed to address the action points arising from these audits.
- Financial statements and regularity audit: review of the external audit strategy and external audit reports on the Annual Report and Financial Statements and Regularity Audit. No issues were identified in relation to external audit or regularity.
- Governance framework: monitoring of the adequacy and effectiveness of the governance framework through the committee's annual work plan and internal audit opinion. No issues of control were raised.
- Risk management: monitoring of the risk register assurance report, review of 'deep dives' into strategic risks and report on cyber security controls from management, and review of the Risk Management Policy and risk register for 2023/24.
- Fraud and irregularity: receiving assurance from the annual monitoring report of the College's counter fraud strategy, fraud risk register, whistleblowing report and reports from management.
- Resources and assets: review of the annual report on procurement and value for money and on insurance cover and activities; confirmation of the ESFA financial health rating; and confirmation of external grant funding audits.
- Data quality: receiving assurance about key areas of data quality through the internal audit programme and external audit.
- Auditors' performance: reviewing the performance of the internal and external auditors.

Sparsholt College Hampshire

Statement of Corporate Governance and Internal Control (continued)

Review of effectiveness

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

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

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

The SLT receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention. The SLT 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 Board of Governors receives the minutes of Audit Committee meetings and updated risk register heat map termly and considers any recommendations made by the committee and SLT on risk management and control. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its December 2023 meeting, the Board of Governors carried out the annual assessment for the year ended 31 July 2023 and taking account of events since 31 July 2023, by considering the report of the Principal, the report of the Audit Committee, and the annual report of the internal audit service.

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

Approved by order of the members of the Board of Governors on 8 December 2023 and signed on behalf of Sparsholt College Hampshire by:



N Hopkins
Chair of Governors



J Milburn
Principal and Accounting Officer

Sparsholt College Hampshire

Statement of Regularity, Propriety and Compliance

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

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



J Milburn
Principal and Accounting Officer

8 December 2023

Statement of the Chair of Governors

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



N Hopkins
Chair of Governors

8 December 2023

Sparsholt College Hampshire

Statement of Responsibilities of the Members of the Corporation

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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; and
- 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 Report of the Governing Body, in accordance with paragraphs 3.23 and 3.27 of the FE and HE SORP, 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 Group and the College.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group and 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 website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from 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 economical, efficient and effective management of the Group and the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 8 December 2023 and signed on its behalf by:



N Hopkins
Chair of Governors

Independent auditor's report to the Corporation of Sparsholt College Hampshire

Opinion

We have audited the financial statements of Sparsholt College Hampshire (the 'College') and its subsidiaries (together referred to as the 'Group') for the year ended 31 July 2023 which comprise the Group and the College Statement of Comprehensive Income, the Group and the College Statement of Changes in Reserves, the Group and the College Statement of Financial Position, the Group 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2023 and of its result of expenditure over income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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, the ESFA 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 Group and 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 Group or 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.

We have nothing to report in this regard.

Independent auditor's report to the Corporation of Sparsholt College Hampshire (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the ESFA requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- 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.

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

- the College's grant and fee income, as disclosed in note 3 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 Group and 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 Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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 Group and 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 Group and 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 and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent auditor's report to the Corporation of Sparsholt College Hampshire (continued)

We assessed the susceptibility of the Group and 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;
- tested the authorisation of expenditure, ensuring expenditure was approved in line with the Corporation's financial procedures; 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.

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 Group and 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 Group and 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 Group and the College and the Group and the College's members 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: 20 December 2023

Reporting Accountant's Assurance Report on Regularity

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

In accordance with the terms of our engagement letter dated 21 July 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 Sparsholt College Hampshire during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the Corporation of Sparsholt College Hampshire 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 Sparsholt College Hampshire 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 Sparsholt College Hampshire and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sparsholt College and the reporting accountant

The Corporation of Sparsholt College Hampshire is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across 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.

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 20 December 2023

Sparsholt College Hampshire

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2023 Group £'000	Year ended 31 July 2023 College £'000	Year ended 31 July 2022 Group £'000	Year ended 31 July 2022 College £'000
INCOME					
Funding body grants	2	21,943	21,943	19,102	19,102
Tuition fees and education contracts	3	4,247	4,247	4,668	4,668
Other grants and contracts	4	819	819	1,023	984
Other income	5	5,254	5,479	4,769	4,954
Investment income	6	212	208	4	4
Total income		32,475	32,696	29,566	29,712
EXPENDITURE					
Staff costs	7	17,621	11,130	18,126	12,067
Fundamental restructuring costs	7	22	22	27	27
Other operating expenses	8	12,178	18,944	10,010	16,244
Depreciation	13	2,533	2,533	2,481	2,481
Interest and other finance costs	11	505	505	662	662
Total expenditure		32,859	33,134	31,306	31,481
Deficit before other gains and losses		(384)	(438)	(1,740)	(1,769)
Loss on disposal of assets		(8)	(8)	(11)	(11)
Loss on investments	14	(3)	(3)	(37)	(37)
Deficit before tax		(395)	(449)	(1,788)	(1,817)
Taxation	12	(2)	(2)	-	-
Deficit for the year		(397)	(451)	(1,788)	(1,817)
Net movement in swaps agreements		79	79	98	98
Actuarial gain in respect of pension schemes	20	9,698	9,698	17,577	17,577
Total Comprehensive Income for the year		9,380	9,326	15,887	15,858

The Statement of Comprehensive Income is in respect of continuing activities.
The accompanying notes form part of these financial statements.

Sparsholt College Hampshire

Statement of Changes in Reserves

	Income and Expenditure account - Unrestricted	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 31st July 2021	(5,225)	28,946	23,721
Deficit from the income and expenditure account	(1,788)	-	(1,788)
Other comprehensive income	17,675	-	17,675
Transfers between revaluation and income and expenditure reserves	260	(260)	-
Total comprehensive income/ (expenditure) for the year	16,147	(260)	15,887
Balance at 31st July 2022	10,922	28,686	39,608
Deficit from the income and expenditure account	(397)	-	(397)
Other comprehensive income	9,777	-	9,777
Transfers between revaluation and income and expenditure reserves	268	(268)	-
Total comprehensive income/ (expenditure) for the year	9,648	(268)	9,380
Balance at 31st July 2023	20,570	28,418	48,988
College			
Balance at 31st July 2021	(5,811)	28,946	23,135
Deficit from the income and expenditure account	(1,817)	-	(1,817)
Other comprehensive income	17,675	-	17,675
Transfers between revaluation and income and expenditure reserves	260	(260)	-
Total comprehensive income/ (expenditure) for the year	16,118	(260)	15,858
Balance at 31st July 2022	10,307	28,686	38,993
Deficit from the income and expenditure account	(451)	-	(451)
Other comprehensive income	9,777	-	9,777
Transfers between revaluation and income and expenditure reserves	268	(268)	-
Total comprehensive income/ (expenditure) for the year	9,594	(268)	9,326
Balance at 31st July 2023	19,901	28,418	48,319

Sparsholt College Hampshire

Statement of Financial Position as at 31 July

	Notes	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Non Current assets					
Tangible fixed assets	13	59,093	59,093	59,166	59,166
Investments	14	33	34	36	37
		59,126	59,127	59,202	59,203
Current assets					
Stocks	15	461	461	537	537
Trade and other receivables	16	1,042	1,017	732	697
Cash and cash equivalents	21	12,657	11,945	7,500	6,773
		14,160	13,423	8,769	8,007
Less: Creditors – amounts falling due within one year	17	(6,401)	(6,334)	(4,948)	(4,802)
Net current assets		7,759	7,089	3,821	3,205
Total assets less current liabilities		66,885	66,216	63,023	62,408
Less: Creditors – amounts falling due after more than one year	18	(17,610)	(17,610)	(13,952)	(13,952)
Provisions					
Defined benefit obligations	20,24	-	-	(9,105)	(9,105)
Other provisions	20	(287)	(287)	(358)	(358)
Total net assets		48,988	48,319	39,608	38,993
Unrestricted reserves					
Income and expenditure account		20,570	19,901	10,922	10,307
Revaluation reserve		28,418	28,418	28,686	28,686
Total reserves		48,988	48,319	39,608	38,993

The accompanying notes form part of these financial statements.

The financial statements on pages 31 to 61 were approved and authorised for issue by the Corporation on 8 December 2023 and were signed on its behalf on that date by:



N Hopkins
Chair of Governors



J Milburn
Principal and Accounting Officer

Sparsholt College Hampshire

Consolidated Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Deficit for the year		(397)	(1,788)
Adjustment for non cash items			
Depreciation		2,533	2,481
Decrease in value of investments		3	47
Decrease/ (Increase) in stocks		76	(56)
(Increase)/ Decrease in debtors		(255)	51
Increase in creditors due within one year		1,418	17
Increase in creditors due after one year		-	1
Decrease in provisions		(31)	(31)
Pensions costs less contributions payable		229	1,411
Adjustment for investing or financing activities			
Investment income		(212)	(5)
Interest payable		505	662
Release of deferred capital grants		(764)	(731)
Loss on sale of fixed assets		8	11
Net cash flow from operating activities		3,113	2,070
Cash flows from investing activities			
Proceeds from sale of fixed assets		16	3
Investment income		212	5
Receipts of deferred capital grants		5,293	486
Payments made to acquire fixed assets		(2,409)	(1,561)
Net cash flows from investing activities		3,112	(1,067)
Cash flows from financing activities			
Interest paid		(228)	(247)
Repayments of amounts borrowed		(840)	(422)
Net cash flows from financing activities		(1,068)	(669)
Increase in cash and cash equivalents in the year		5,157	334
Cash and cash equivalents at beginning of the year	21	7,500	7,166
Cash and cash equivalents at end of the year	21	12,657	7,500

Notes to the Financial Statements

1 Accounting Policies

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 2022/2023 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 Group's accounting policies.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries (Andover Town Football Club Limited, Sparsholt College Services Limited and Westley Enterprises Limited) controlled by the Group. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2023.

Going concern

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

The College currently has £3.7 million of long-term loans outstanding with bankers on terms negotiated between 2006 and 2013. All of these loans are on unsecured terms. Long term loans outstanding with Local Councils and Salix were repaid in full during 2022/23.

As at 31 July 2023, the College had cash balances of £12.7 million. This includes £4.6 million of grants that are ringfenced for the capital projects and will be clawed back by the ESFA or OfS if they are unspent. The College also has a match funding commitment of £2.4 million for these projects. The College has prepared prudent budgets for 2023/24 and 2024/25 which both present a small surplus position. The College continues to work to reduce energy usage and is liaising regularly with energy brokers to achieve the most appropriate energy solutions for the College. In addition, the College is working to achieve cost savings in other areas wherever possible and practicable. The College has no requirement for any additional borrowings to service its ongoing operations given the built up reserves and so no cash flow support is likely to be needed and staff and suppliers can continue to be paid for the foreseeable future.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

The College continues to maintain good relationships with all three of its banking lenders with regular meetings throughout the year and has met all loan covenants for 2022/23 and is forecast to do so for 2023/24.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for a period of least 12 months from the date of approval of these financial statements. For this reason the College 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 recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved.

Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from 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 in the Statement of Financial Position and released to income as the conditions are met.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other capital grants are recognised as 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 in the Statement of Financial Position and released to income as conditions are met.

Fee income

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

Investment income

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

Other income

Other income covers a variety of income sources including residence and conference income, non-government grant income and income from farming activities. Gift aid received by the College from its subsidiaries is also included within other income. Income is stated net of value added tax and is recognised in the period in which it is earned.

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit plans, which are externally funded. Post employment benefits for employees commencing employment with Sparsholt College Services Limited after 1 February 2019 are provided by NEST, a government-run defined contribution plan. Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Teachers' Pension Scheme

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.

Local Government Pension Scheme

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

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

Post employment benefits for employees transferred from Sparsholt College Hampshire (the "College") to Sparsholt College Services Limited (the "company") on 1 February 2019 are provided by the LGPS. Hampshire County Council, the provider of the LGPS scheme, has pooled the assets and liabilities of the scheme for employees of the company and the College. This, combined with the legal indemnity provided by the College to the company, has resulted in the LGPS pension liability and assets remaining within the College financial statements and the expense recognised in the company in relation to the LGPS reflecting contributions paid in the period for company employees to the scheme.

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

If the present value of the defined benefit scheme obligations at the balance sheet date is less than the fair value of the scheme assets at that date, the scheme is in surplus. The College will recognise a scheme surplus as a defined benefit pension scheme asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

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 Group. Any unused benefits are accrued and measured as the additional amount the Group 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 Statement of Comprehensive Income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Statement of Financial Position.

Non current Assets - Tangible fixed assets

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

Land and buildings

Land and buildings acquired since incorporation are stated in the Statement of Financial Position at cost or subsequent valuation. Permanent buildings are depreciated over their expected useful economic life of between 10 and 50 years. Residential buildings are depreciated over 50 years on the difference between cost and estimated residual value.

Freehold land is not depreciated as it is considered to have an infinite useful life. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to deferred income within creditors, 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.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2014, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

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

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. Where individual equipment costing less than £1,000 is purchased in bulk quantities, such as computers, this equipment is capitalised at cost. All other equipment is capitalised at cost.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College and is now fully depreciated. All other equipment is depreciated on a straight-line basis over its useful economic life as follows:

- building improvements – between 2% and 10% per year
- motor vehicles – 25% per year
- computer and other equipment – 25% per year
- server and server infrastructure – 12.5% per year
- fixtures and fittings – 10% per 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.

Borrowing costs

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

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

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

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

Investments

Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income in the period that they arise. No depreciation is provided in respect of investment properties valued at fair value.

Investments in ordinary shares are stated at the lower of their cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value, using accepted conventions to arrive at deemed cost where actual cost is not accurately available in the case of certain farm stocks. All farm stocks are evaluated by independent qualified valuers at the Statement of Financial Position date. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

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

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

Financial assets

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group 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 Statement of Financial Position at historical cost. At the end of each reporting period, financial assets are assessed for objective evidence of impairment.

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

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 Group 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 Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Derivative financial instruments

The College uses interest rate swaps to enable the College to have a fixed interest rate on the loan arrangement with NatWest. The swap arrangement is initially recognised at fair value and subsequently re-measured at fair value at each year end date. Changes in the fair value of the swap arrangement are recognised in the Statement of Comprehensive Income as net movement in swaps agreements. The College does not currently apply hedge accounting.

Foreign currency translation

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

Taxation

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

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 its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

Provisions are recognised when:

- the Group 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.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

A contingent liability arises from a past event that gives the Group 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 Group. 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 Statement of Financial Position but are disclosed in the notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the Group and 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 group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether it is appropriate to prepare the financial statements on a going concern basis. The factors used to assess the appropriateness of this methodology have been detailed under the Going Concern section of this Note 1.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. 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.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

2 Funding council grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	College £'000	Group £'000	College £'000
Recurrent grants				
Education and Skills Funding Agency - adult	1,665	1,665	1,709	1,709
Education and Skills Funding Agency - 16-19	17,720	17,720	15,325	15,325
Education and Skills Funding Agency - apprenticeships	570	570	529	529
Office for Students (note 3a)	689	689	629	629
Specific Grants				
Education and Skills Funding Agency - release of capital grants	299	299	233	233
Office for Students - release of capital grants (note 3a)	65	65	65	65
Education and Skills Funding Agency - TPS funding	482	482	394	394
Education and Skills Funding Agency - Strategic Development Fund Revenue	429	429	-	-
Education and Skills Funding Agency - 16-19 Tuition Fund	18	18	170	170
Education and Skills Funding Agency - T-Level	4	4	-	-
Education and Skills Funding Agency - Skills Accelerator Fund	2	2	48	48
Total	21,943	21,943	19,102	19,102

3 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	College £'000	Group £'000	College £'000
Adult education fees	718	718	789	789
Apprenticeship fees and contracts	29	29	40	40
Fees for FE loan supported courses	230	230	211	211
Fees for HE loan supported courses (note 3a)	3,267	3,267	3,594	3,594
International students fees	3	3	34	34
Total	4,247	4,247	4,668	4,668

3a Analysis of total grant and fee income (HE only)

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	College £'000	Group £'000	College £'000
Grant income from the Office for Students (note 2)	754	754	694	694
Fee income for taught awards (exclusive of VAT) (note 3)	3,267	3,267	3,594	3,594
Fee income for non-qualifying courses	10	10	13	13
Total	4,031	4,031	4,301	4,301

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

4 Other grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grants and contracts	819	819	1,023	984
Total	819	819	1,023	984

5 Other income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	2,218	2,015	1,729	1,550
Other income generating activities	1,377	1,052	1,308	1,008
Gift Aid received	-	646	-	572
Non government capital grants	396	396	433	433
Miscellaneous income	1,263	1,370	1,299	1,391
Total	5,254	5,479	4,769	4,954

6 Investment income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank interest receivable	212	208	4	4
Total	212	208	4	4

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

7 Staff costs - Group

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	College	Group	College
Teaching staff	208	208	213	213
Non teaching staff	291	56	290	60
Total	499	264	503	273

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	College £'000	Group £'000	College £'000
Wages and salaries	13,389	8,066	12,817	7,909
Social security costs	1,188	760	1,071	699
Other pension costs (FRS 102 pension charge for year £229,000, 2022: £1,411,000) (Note 24)	2,864	2,126	4,093	3,314
Payroll sub total	17,441	10,952	17,981	11,922
Contracted out staffing services	180	178	145	145
Staff costs as per Statement of Comprehensive Income and Expenditure	17,621	11,130	18,126	12,067
Fundamental restructuring costs - contractual	22	22	27	27
Total staff costs	17,643	11,152	18,153	12,094

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the College and are represented by the SLT which comprises the Principal, Director of Finance, Deputy Principal, Vice Principals Curriculum and the Vice Principal & Dean of Higher Education. Staff costs include compensation paid to key management personnel for loss of office.

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

	2023	2022
The number of key management personnel, including the Accounting Officer, was:	7	8

Key management personnel emoluments are made up as follows:

	2023 £'000	2022 £'000
Salaries	520	479
Benefits in kind	2	2
Pension contributions	118	98
Total emoluments	640	579

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

7 Staff costs - Group (continued)

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

	2023	2022
£60,001 to £65,000 p.a.	1	-
£65,001 to £70,000 p.a.	-	2
£70,001 to £75,000 p.a.	3	-
£75,001 to £80,000 p.a.	-	1
£80,001 to £85,000 p.a.	-	-
£85,001 to £90,000 p.a.	1	1
£90,001 to £95,000 p.a.	1	-
£120,001 to £125,000 p.a.	-	1
£125,001 to £130,000 p.a.	-	-
£130,001 to £135,000 p.a.	1	-
	7	5

Including part time workers, starters and leavers grossed up to full time equivalent and staff on maternity, paternity or sickness leave at the usual rate of pay, five members were paid in the £70,001 to £75,000 banding in 2023 (2022: £65,001 to £70,000: five members, £85,001 to £90,000: two members).

The Principal is provided with rent free accommodation which is a non taxable benefit as it is required wholly, necessarily and exclusively for the better performance of their duties of employment. The annual value was £34,356 (2022: £27,808), inclusive of council tax. Utility costs are paid by the Principal directly.

The Vice Principal Curriculum who is also the College's Designated Safeguarding Lead, is provided with accommodation at below market rent, which is a non taxable benefit as it is required wholly, necessarily and exclusively for the better performance of their duties of employment. The annual value was £17,811 (2022: £13,240) after deducting the rental contributions made. Council tax and utility costs are paid by the Vice Principal directly.

The key management personnel emoluments include amounts paid to the Principal who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2023 £'000	2022 £'000
Salary	130	125
Benefits in kind	1	1
Pension contributions	31	30
Total	162	156

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

7 Staff costs - Group (continued)

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

	2023 £'000	2022 £'000
Principal's basic salary as a multiple of the median of all staff	5.0	5.1
Principal's total remuneration as a multiple of the median of all staff	5.1	5.2

The Governing Body adopted the AoC's Senior Staff Remuneration Code in April 2019 and assesses pay in line with its requirements.

The remuneration package of key management personnel, including the Principal, is subject to annual review by the Remuneration Committee which uses benchmarking information from the AOC Senior Pay Survey for colleges of a similar size, complexity and location to provide objective guidance.

The Principal reports to the Chair of the Governing Body, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance, and reports this to the Remuneration Committee and the Governing Body.

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

Severance payments of all staff

The College/College Group paid 3 severance payments in the year, disclosed in the following bands:

£0 - £25,000	3
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,001+	-

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

8 Other operating expenses

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	3,717	3,677	3,293	3,193
Non teaching costs	4,250	11,091	3,306	9,661
Premises costs	4,211	4,176	3,411	3,390
Total	12,178	18,944	10,010	16,244

Other operating expenses include:

	Group	Group
	2023	2022
	£'000	£'000
Auditors' remuneration:		
Financial statements audit*	38	32
Other services provided by the financial statements auditor**	5	1
Internal audit fees	24	22
Hire of assets under operating leases	355	382

* includes £32,205 in respect of the College (2022: £26,430)

** other services provided by the financial statements auditor were:

- £1,150 taxation advisory services provided by the auditor in the year related to assistance and guidance provided on certain College IR35 assessments (2022: £475)
- £3,500 professional services related to audit services on the Strategic Development Fund (2022: £nil)

9 Access and participation expenditure

Expenditure on the OfS approved HE access and participation plan in the year is shown below.

	Group	Group
	2023	2022
	£'000	£'000
Access Investment	135	149
Financial support to students	91	81
Disability support	72	36
Research & Evaluation	-	14
Total	298	280

This expenditure includes £188,000 (2022: £181,000) of staff costs that are intrinsic to the delivery of the plan, and are already included in the Corporation staff costs in Note 7.

The access and participation plan is available at:

https://www.sparsholt.ac.uk/wp-content/uploads/2022/12/UCS_APP_2020-21_V1_10006050.pdf

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

10 Write offs, losses, guarantee and letters of comfort or compensation

	Group 2023 £'000	Group 2022 £'000
Write offs		
Bad Debts	15	51
Total	15	51

There were no other write offs, losses, guarantees, letters of comfort or compensation.

11 Interest payable - Group and College

	2023 £'000	2022 £'000
On bank loans, overdrafts and other loans:	181	244
	181	244
Pension finance costs (note 20)	324	418
Total	505	662

12 Taxation - Group only

UK Corporation Tax

	2023 £'000	2022 £'000
Current Tax		
Corporation tax	2	-
Current tax charge	2	-

United Kingdom corporation tax is chargeable on the College's commercial activities. Taxable profits earned by the subsidiaries that are gift aided to the College are not subject to corporation tax.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

13 Tangible fixed assets (Group & College)

	Freehold Land & Buildings	Assets under Construction	Equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	74,463	-	10,723	85,186
Additions	443	916	1,125	2,484
Disposals	(1,112)	-	(1,896)	(3,008)
At 31 July 2023	73,794	916	9,952	84,662
Depreciation				
At 1 August 2022	17,310	-	8,710	26,020
Charge for the year	1,636	-	897	2,533
Elimination in respect of disposals	(1,104)	-	(1,880)	(2,984)
At 31 July 2023	17,842	-	7,727	25,569
Net book value at 31 July 2023	55,952	916	2,225	59,093
Net book value at 31 July 2022	57,153	-	2,013	59,166

Land and buildings, including Improvements, were valued at 31 July 2014 by Carter Jonas, a firm of independent Chartered Surveyors, and the valuation was on the following basis :-

- Specialised buildings – depreciated replacement cost
- Other buildings – existing use value

If inherited land and buildings had not been revalued they would have been included in the financial statements at nil cost and nil net book value.

Assets under construction relate to several capital works projects primarily to support T Level delivery. These include the development of a robotic dairy, an extension to the Construction skills building and the development of a nursing ward and digital provision. All costs related to these projects, such as quantity surveying, project management, planning fees as well as physical build costs are reflected in Assets under Construction until such time as the provision has come in to operational use. As at 31st July 2023, the nursing and digital projects are near to completion but the rest remain in early stages.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

14 Non current Investments

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Investments in subsidiary companies	-	1	-	1
Other investments	33	33	36	36
Total	33	34	36	37

Investments in subsidiary companies

The College owns 100% of the issued share capital of Sparsholt College Services Limited (£1,000). The company was incorporated on 24 October 2018 and commenced trading on 1 February 2019.

Sparsholt College Services Limited was established to provide support services, activities and functions to Sparsholt College Hampshire including but not limited to finance, information technology, human resources, marketing, premises and student support. The contract for this provision of services to Sparsholt College Hampshire has been entered in to for a five year period commencing on 1 February 2019, with automatic yearly renewal thereafter, unless termination is served by either party. Both parties have expressed their desire to continue the contract and so the arrangement will continue on a rolling basis.

The College owns 100% of the issued share capital of Westley Enterprises Limited (£2). The principal business activities of Westley Enterprises Limited are the provision of conference facilities and accommodation to a wide range of customers. The company was incorporated in 1987 and operates within the United Kingdom.

The College owns 100% of the issued share capital of Andover Town Football Club Limited (£1). The principal activities of Andover Town Football Club Limited are:

- To enhance the College's sports curriculum and football academy by providing regular access to higher level football;
- To provide an educational pathway for students aged 16-19 and progression opportunities for 19+; and
- To support the development of community links within Andover.

The company was incorporated in 2013 and operates within the United Kingdom.

Investments in subsidiary companies are eliminated in the consolidated financial statements.

Other investments

At 31 July 2023, the College held shares in Genus plc which have been accounted for at market value as at 31 July 2023. The value of these shares as at 31 July 2023 were £32,671. At 31 July 2022, the shares were accounted for at a market value of £36,206, resulting in a loss on investment recorded in 2022/23 of £3,535. There is no intention to sell these shares in the short term.

At 31 July 2023, the College held 320 shares in National Milk Records plc ("NMR"). The value of these shares as at 31 July 2023 was 204p per share and the shares have been accounted for at the market value of £653 as at 31 July 2023. At 31 July 2022, the shares were accounted for at a £nil value, resulting in a gain on investment in 2022/23 of £653. In June 2023, Associated British Foods agreed to take over NMR and on 8 August 2023, these shares were purchased from the College at 215p per share.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

15 Stocks

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Farm stock	461	461	537	537
Total	461	461	537	537

16 Trade and other receivables

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Amounts falling due within one year:				
Trade receivables	428	411	244	211
Amounts owed by group undertakings:				
Subsidiary undertakings	-	15	-	8
Prepayments and accrued income	361	338	329	319
Amounts owed by the ESFA	198	198	159	159
Other financial assets (note 19b)	55	55	-	-
Total	1,042	1,017	732	697

17 Creditors: amounts falling due within one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans and overdrafts	357	357	440	440
Trade payables	615	614	265	265
Amounts owed to group undertakings:				
Subsidiary undertakings	-	310	-	113
Other taxation and social security	614	423	574	408
Accruals and deferred income	3,223	3,038	2,379	2,286
Deferred income - government capital grants	780	780	690	690
Amounts owed to the ESFA	812	812	600	600
Total	6,401	6,334	4,948	4,802

18 Creditors: amounts falling due after one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans	3,385	3,385	4,142	4,142
Deferred income - government capital grants	14,225	14,225	9,786	9,786
Other financial liabilities (note 19b)	-	-	24	24
Total	17,610	17,610	13,952	13,952

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

19 Maturity of debt

(a) Bank loans and overdrafts - Group and College

Bank loans and overdrafts are repayable as follows:

	2023 £'000	2022 £'000
In one year or less	357	440
Between one and two years	377	419
Between two and five years	1,153	1,335
In five years or more	1,855	2,388
Total	3,742	4,582

A long-term loan of £750,000 with Lloyds TSB was drawn down in August 2006 at a fixed rate of 5.665%. This is repayable by quarterly instalments falling due between 1 August 2023 and 10 August 2026.

A long-term loan of £4,000,000 with Barclays Bank was taken out in two equal tranches in August and November 2010 at a fixed rate of 5.44%. This is repayable by quarterly instalments falling due between 1 August 2023 and 3 August 2035.

A long-term loan of £2,000,000 with NatWest Bank was taken out in December 2013 at a fixed rate of 5.69%. This is repayable by quarterly instalments falling due between 1 August 2023 and 19 December 2028.

A long-term loan of £240,000 with Test Valley Borough Council taken out in December 2014 with interest payable at the official HMRC rate at repayment date was fully repaid on 18 July 2023.

A long-term loan of £500,000 with Hampshire County Council taken out in December 2015 with interest payable at the official HMRC rate at repayment date was fully repaid on 18 July 2023.

A long term interest free loan totalling £199,718 with Salix taken out in January 2018 with the final advance of £85,047 being received in October 2018 was fully repaid on 1 April 2023.

All loans are advanced on unsecured terms.

(b) Other financial instruments - Group and College

	2023 £'000	2022 £'000
Swaps agreement (asset) / liability	(55)	24
Total	(55)	24

The NatWest loan agreement taken out in December 2013 incorporates a Swaps Agreement which is valued as an asset of £55,270 at the year end (2022: £23,577 liability).

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

20 Provisions

	Defined benefit Obligations £'000	Group and College Enhanced pensions £'000	Total £'000
At 1 August 2022	9,105	358	9,463
Expenditure in the year	229	(31)	198
Interest on net defined benefit liability/ (asset)	312	12	324
Actuarial gain	(9,646)	(52)	(9,698)
At 31 July 2023	-	287	287

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

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

The principal assumptions for this calculation are:

	2023	2022
Discount rate	5.05%	3.40%
Inflation assumption (CPI)	3.00%	2.60%

21 Cash and cash equivalents - Group

	At 1 August 2022 £'000	Cash flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	7,500	5,157	12,657
Total	7,500	5,157	12,657

22 Capital commitments

	Group and College 2023 £'000	2022 £'000
Commitments contracted for at 31 July	389	178

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

23 Lease Obligations

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

	Group and College	
	2023	2022
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	156	104
Later than one year and not later than five years	1,227	1,073
Later than five years	<u>3,021</u>	<u>2,892</u>
Total	<u>4,404</u>	<u>4,069</u>
Other		
Not later than one year	225	189
Later than one year and not later than five years	<u>229</u>	<u>110</u>
Total	<u>454</u>	<u>299</u>

24 Defined benefit obligations

The College Group's employees belong to three principal post-employment benefit plans:

1. Teachers' Pension Scheme England and Wales for academic and related staff, this is a multi-employer defined benefit plan.
2. Local Government Pension Scheme for non-teaching staff, which is managed by Hampshire County Council, and is a multi-employer defined benefit plan.
3. NEST - post employment benefits for employees commencing employment with Sparsholt College Services Limited after 1 February 2019 are provided by NEST, a government run defined contribution plan. Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Total Group pension cost for the year	2023	2022
	£'000	£'000
Teachers Pension Scheme: contributions paid	1,387	1,366
Local Government Pension Scheme:		
Contributions paid	1,146	1,252
FRS 102 (28) charge	<u>229</u>	<u>1,411</u>
Charge to the Statement of Comprehensive Income	1,375	2,663
NEST Scheme: contributions paid	<u>102</u>	<u>64</u>
Total Group pension cost for the year (Note 7)	<u>2,864</u>	<u>4,093</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. Prior to 31 July 2023, the latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme, relating to the period ending 31 March 2020 was published in October 2023.

Contributions amounting to £293,000 (2022: £295,000) were payable to the schemes and are included in creditors.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme 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 2023 was carried out as at 31 March 2016. The valuation report was published by the Department for Education ("the DfE") in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The DfE agreed to pay a teacher's pension employer contribution grant to cover the additional costs during the 2022/23 academic year.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024. From this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy). A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to the TPS in the year amounted to £1.4 million (2022: £1.4 million)

Local Government Pension Scheme

The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by Hampshire County Council. The total contribution made for the year ended 31 July 2023 was £1.4 million of which group employer's contributions totalled £1.1 million and group employees' contributions totalled £0.3 million. The agreed contribution rates for future years are 21.8% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

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

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	4.00%	3.00%
Future pensions increases	3.00%	2.60%
Discount rate for scheme liabilities	5.05%	3.40%
Inflation assumption (CPI)	3.00%	2.60%

An adjustment has been made to the CPI assumption to recognise that the 2024 Pension Increase Order, from 1 April 2024, is currently expected to be higher than the single CPI assumption set for accounting purposes as at 31 July 2023. Specifically, the increase in the CPI index over the 9 months from September 2022 to June 2023 is 6.2%. Following this adjustment, our final standard CPI assumptions are 3.05%, 3.00% and 2.95% at short, medium and long durations respectively.

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 2023 years	At 31 July 2022 years
<i>Retiring today</i>		
Males	22.1	22.9
Females	24.7	25.4
<i>Retiring in 20 years</i>		
Males	22.6	24.7
Females	25.7	27.1

The Group's share of the assets in the plan at the year end were:

	Fair Value:	
	At 31 July 2023 £'000	At 31 July 2022 £'000
Equities	25,079	24,417
Property	2,550	3,440
Bonds	13,602	6,285
Multi Asset Credit	-	3,779
Cash	1,275	340
Other	-	4,204
Total market value of assets	42,506	42,465
Actual return on plan assets	(182)	(1,683)

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

The College's share of assets and liabilities in respect of the defined benefit pension plan is as follows:

	2023 £'000	2022 £'000
Fair value of plan assets	42,506	42,465
Present value of defined benefit obligation	(41,915)	(51,570)
Net defined benefit asset/ (liability) (Note 20)	591	(9,105)

The actuarial valuation of the fund at 31 July 2023 reports assets of £42,506k (2022: £42,465k) and obligations of £41,915k (2022: £51,570k), resulting in a net pension asset of £591k (2022: liability £9,105k). There is uncertainty whether the College will be able to recover the asset through reduced contributions in the future or through refunds from the scheme and as a result the asset has not been recognised in the financial statements as at 31 July 2023.

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost	1,344	2,668
Total	1,344	2,668

Amounts included in interest payable		
Net interest cost	312	411
Total	312	411

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	(1,629)	(2,431)
Changes in financial assumptions	11,198	19,974
Changes in demographic assumptions	435	-
Other experience gains arising on defined benefit obligations	233	-
Asset ceiling adjustment	(591)	-
Total	9,646	17,543

Movement in net defined benefit liability during the year

	2023 £'000	2022 £'000
Deficit in scheme at 1 August	(9,105)	(24,826)
Movement in year:		
Current service cost	(1,344)	(2,668)
Employer contributions	1,115	1,257
Net interest on the defined liability	(312)	(411)
Actuarial gain	9,646	17,543
Net defined benefit liability at 31 July	-	(9,105)

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

Asset and Liability Reconciliation

	2023 £'000	2022 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	51,570	68,615
Current Service cost	1,344	2,668
Interest cost	1,759	1,159
Contributions by Scheme participants	289	294
Experience losses on defined benefit obligations	(11,866)	(19,974)
Estimated benefits paid	(1,181)	(1,192)
	<u>41,915</u>	<u>51,570</u>
Defined benefit obligations at end of period	<u>41,915</u>	<u>51,570</u>
Reconciliation of Assets		
Fair value of plan assets at start of period	42,465	43,789
Interest on plan assets	1,447	748
Return on plan assets	(1,629)	(2,431)
Employer contributions	1,115	1,257
Contributions by Scheme participants	289	294
Estimated benefits paid	(1,181)	(1,192)
	<u>42,506</u>	<u>42,465</u>
Assets at end of period	<u>42,506</u>	<u>42,465</u>

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

25 Related party transactions

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

During the year, the College paid £108,000 (2022: £139,000) to, and received income of £6,000 (2022: £7,000) from, the University of Portsmouth for course /programme fees. Sarah Duckering, a co-opted member of the Curriculum, Employers and Market Requirements Committee, is the Director of Research and Innovation Services at the University of Portsmouth.

During the year, the College received £1,000 (2022: £5,000) for course fees from Harrow Way Community School. Ben Stokes, Vice Principal (Andover), is a Governor of Harrow Way Community School.

The total expenses paid to or on behalf of the Governors during the year was £549: 6 governors (2022: £913: 3 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year in their capacity as governors. (2022: None) Those Governors who are also members of staff receive remuneration for their employed duties but none for their duties as governors.

Sparsholt College Services Ltd - a wholly owned subsidiary of Sparsholt College Hampshire

During the year, the College received Gift Aid of £599,190 (2022: £570,611) from Sparsholt College Services Ltd, a wholly owned subsidiary of Sparsholt College Hampshire. The College paid £6,774,000 (2022: £6,438,000) to Sparsholt College Services Ltd for the provision of support services, activities and functions to Sparsholt College Hampshire. There was an outstanding balance of £307,000 (2022: £107,000) payable at the year end to Sparsholt College Services Ltd.

Westley Enterprises Ltd - a wholly owned subsidiary of Sparsholt College Hampshire

During the year, the College received Gift Aid of £46,181 (2022: £1,471) from Westley Enterprises Ltd, a wholly owned subsidiary of Sparsholt College Hampshire. The College charged letting fees of £96,554 (2022: £82,246) to Westley Enterprises Ltd for the licence to use the College facilities, including Equine and Conference Centres and a management fee for the provision of college management and administration of £20,000 (2022: £20,000). The letting fees are percentage based and linked to cost or turnover, as applicable. The management fees are a flat fee per Centre. There was an outstanding balance of £15,532 (2022: £8,077) owed at the year end by Westley Enterprises Ltd.

Andover Town Football Club Ltd - a wholly owned subsidiary of Sparsholt College Hampshire

During the year, the College received Gift Aid of £550 (2022: £62) from Andover Town Football Club Ltd, a wholly owned subsidiary of Sparsholt College Hampshire. The College was charged £6,000 (2022: £6,000) by Andover Town Football Club Ltd as a marketing fee, for the Club's role in attracting sport students to the College. The College charged Andover Town Football Club for pitch hire costs of £4,200 (2022: £3,900) and £1,400 (2022: £1,300) for administration fees for the support provided by College staff in operating the Club. There was an outstanding balance of £2,535 (2022: £5,447) owing at the year end to Andover Town Football Club.

Sparsholt College Hampshire

Notes to the Financial Statements (continued)

26 Amounts disbursed as agent - Learner support funds

	2023 £'000	2022 £'000
Funds brought forward	217	207
16-18 bursary grants	572	577
Other funding body grants	122	182
	<u>911</u>	<u>966</u>
Disbursed to students	(625)	(600)
Administration costs	(33)	(43)
	<u></u>	<u></u>
Balance unspent as at 31 July, included in creditors	<u>253</u>	<u>323</u>

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