



# MILTON KEYNES COLLEGE GROUP REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

Building Fairer Futures.





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# FOREWORD BY RUBY PARMAR, CHAIR OF GOVERNORS

## AND SALLY ALEXANDER, CEO AND GROUP PRINCIPAL

We are proud to present the Milton Keynes College Group Financial Statements. As we navigate through ever changing times, we are immensely proud of the achievements of both students and staff at Milton Keynes College Group.

In 2023/24, we have maintained 'Good' Financial Health and delivered a strong financial performance having made sensible investments in growing student numbers to meet the needs of our City, improving the learner experience, keeping learners safe and valuing and rewarding our staff both in Milton Keynes and across our prison communities. We are also investing in our estates both to increase capacity but also to develop our roadmap to carbon neutrality by 2030.

We continue to deliver the commitments in our [Annual Accountability Statement](#) in contributing to national, regional, and local skills priorities and as evidenced in our [Community Impact Report](#), the College continues to operate at the heart of its communities, building Fairer Futures and instilling our values of inspire, excellence, innovation, respect, integrity and belonging into all we do. Our work with local, regional, and national partners continues to help shape our curriculum for the people of the City, creating opportunities through meeting the local skills need.

We are very proud to have increased our prison education provision to 30 prisons across the length and breadth of England. Within our local education departments we work with some of the most socially excluded to develop their skills to support them engage both with their local communities and to resettle post release.

In February 2024 the College was visited by Ofsted and received positive feedback on how we support a wide range of students on their path to developing themselves. We were particularly pleased that the College's position around skills was recognised in this report as 'strong', as well as the College being deemed 'Outstanding' for our Adult Learning and High Needs provisions. An overall outcome of 'Good', alongside 'Good' Financial Health gives the College an excellent platform to further serve our community.

As the only further education provider in the City, we are fully committed to providing an outstanding experience for our learners with LLDD needs. We provide an engaging Inclusion provision and have a dedicated team supporting the large number of high needs learners and those in receipt of an EHCP.

Inclusion and our continued commitment to the EDI agenda are integral to our approach to create Fairer Futures for all. Central to our work in 2023/24 to promote and lead EDI was the continued development of five Employee Networks covering Cultural Diversity, Disability, LGBTQ, Men and Women, these networks help enrich the student experience and give staff the opportunity to be part of a solution to breaking down inclusive barriers.

Employers are at the heart of what we do, whether it be co-constructing curriculum, creating meaningful work placements for students, or working together to educate apprentices, our work with employers continues to grow and strengthen every year. Initiatives such as our collaboration with Red Bull Racing are making measurable impacts to our learners' experience and outcomes, whilst driving aspiration in STEM subjects and employment for young people.

We have engaged widely with the development of our Local Skills Improvement Plan (LSIP) and are leading the regional response as lead college on the Local Skills Improvement Fund (LSIF). Our Bletchley-based, South Central Institute of Technology, continues to deliver high level digital skills to students at levels 3, 4 and 5, as well as supporting the development of basic digital skills the community through our 'Tech Park' initiative with the City Council.

The [MK City Plan](#) projects a population growth of 50% by 2050. As we enter year four of our 'Fairer Futures' Strategy, positive endorsement by Ofsted and Good Financial Health means we are attracting the best talent to deliver our strategy as we support our City in achieving economic development and growth.



A handwritten signature in black ink, appearing to read 'R Parmar'.

**Ruby Parmar**  
Chair of Governors



A handwritten signature in black ink, appearing to read 'Sally Alexander'.

**Sally Alexander**  
CEO & Group Principal

# REFERENCE AND ADMINISTRATIVE DETAILS

## Board of Governors

A full list of Governors is given from page 17 of these financial statements.

## Clerk / Company Secretary

Karen Brown

## Key management personnel / Executive Leadership Team

**Sally Alexander:** CEO & Group Principal

**Annie Allen:** Chief People Officer

**Jason Mansell:** Chief Operating Officer

**Alex Warner:** Principal: Curriculum Innovation and Pedagogy (Resigned 2/2/2024)

**Mark Fell:** Executive Principal (Appointed 10/06/24)

## Principal and Registered Office

Milton Keynes College, Chaffron Way Campus, Woughton Campus West, Leadenhall, Milton Keynes, MK6 5LP

## Professional advisers

### External Auditors:

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

### Internal Auditors:

Validera  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

### Bankers:

Lloyds Bank Plc  
249 Silbury Boulevard  
Central Milton Keynes  
MK9 1NA

### Solicitors:

Howes Percival  
Nene House  
4 Rushmills  
Northampton  
NN4 7YB

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024

The Board of Governors presents its annual report together with the financial statements and auditor's report for the year ended 31 July 2024.

### Legal status

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

The structure of Milton Keynes College (which is known as Milton Keynes College Group) (MKCG) includes the campus provision, prison education, and the South Central Institute of Technology (SCIoT) and the following subsidiary companies:

- The Code Makers Academy Limited (dormant since 1/5/23)
- MKC Commercial Limited

Two subsidiary companies were dissolved during this financial year:

- Prison Education Training Services (MK) Limited (previously dormant) dissolved 24/10/23
- Milton Keynes Manpower Forum Limited (previously dormant) dissolved 31/10/23

There are two campuses (at Chaffron Way in Milton Keynes and Bletchley) and 30 regional prisons.

### Mission, Vision, Strategy and Objectives

MKCG launched the new Fairer Futures five-year strategy in the period 2020/21. The vision is to use the power of education to create opportunities, champion talent and deliver fairer futures. It includes the 'means' (to achieve the vision) and the 'why' i.e.

*"We inspire positive social change in the people and communities we serve through delivering exceptional learning experiences to transform lives, achieving our vision of a fairer future for all."*

### Strategic aims 2020-2026

The strategic aims set out what MKCG seeks to achieve over the duration of the strategy. These aims are designed to be flexible enough to adapt to changing environments and specific enough to anchor the vision and purpose. The aims are to:

1. Drive aspirational, innovative, and student-focussed educational experiences.
2. Deliver the skills needed by employers to aid productivity.
3. Develop meaningful partnerships to grow influence and create opportunities.
4. Promote and live fairness, equality, diversity, and inclusion.
5. Achieve and maintain financial and operational sustainability.
6. Create organisational unity around a shared vision and purpose.

The strategic aims were reviewed with the Executive Leadership Team (ELT) and Senior Leadership Team (SLT), and Board of Governors in July 2023 and agreed as still being relevant and applicable to driving forward the Fairer Futures Strategy.

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### Resources

MKCG employs 1,484 people (expressed as headcount), of whom 1,049 are teaching staff.

MKCG enrolled over 20,152 students in 2023/24 (16,404 in the prior year). The College had 10,161 student enrolments, compared to 9,894 last year. The College student enrolments include 6,197 16-to-18-year-olds (2022/23 – 5,506), 841 apprentices (2022/23 – 760), 118 HE Students (2022/23 – 196) with the remainder being other Adults. Within Prison Services the College delivered education to a further 9,968 students (6,510 – 2022/23) on 21,820 individual qualifications.

MKCG has £30.2m of net assets (2023: £28.4m net assets) with a £nil pension liability (2023: £nil). MKCG has no long-term debt (2023: £nil).

Tangible resources include two campuses within Milton Keynes including the substantial investment within the Institute of Technology and at Chaffron Way.

The College has a good reputation locally and nationally. In its last inspection in February 2024, Ofsted judged overall effectiveness to be Good, with Adult Learning and the provision for High Needs both judged to be outstanding and the contribution to meeting skills needs as strong.

The College is registered with the Office for Students (OfS).

### Stakeholders

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

- Students – current, and past
- Education sector funding bodies
- Staff
- Regional & national employers Anglian Water, Network Rail, Red Bull, Mercedes F1, Careys, Santander, KMPG, Microsoft
- MK City Council
- Local Enterprise Partnerships (LEPs) / Chambers of Commerce Federation of Business and City Council Business Council
- The local community
- Community groups
- Other FE and HE institutions such as Open University, MK:U, Cranfield University, Oxford Brookes and Northampton University
- Trade unions
- Professional bodies
- Ministry of Justice (MoJ)

The College publishes a [Community Impact Report](#) on its website annually.

MKCG recognises the importance of collaboration with partners and stakeholders and works to develop relationships through meetings, forums, marketing, and networking. This enables MKCG to adjust the curriculum to meet local, regional, and national needs and enhance the student experience e.g. through guest speakers, sponsorship of equipment and workplace experiences.

### Public Benefit

Milton Keynes College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Board of Governors Body, who are trustees of the charity, are disclosed on page 17.



# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

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

In delivering its mission, MKCG provides identifiable public benefits through the advancement of education, delivering 20,152 student enrolments, including 531 students with high needs. MKCG provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. MKCG adjusts its courses to meet the needs of local employers and provides training to 841 apprentices. MKCG is committed to providing information, advice, and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

The City of Milton Keynes is one of the fastest growing in the UK. It has high levels of employment and hence very low levels of unemployment. This has benefitted students, many of whom have progressed into good jobs and started careers in professional services, logistics, customer services, sports and leisure and engineering to name just a few sectors.

MKCG is at heart a community institution with the overarching charitable and community goal to provide first class education and educational services which enhance the life chances of its students, their families, and the communities in which they reside. MKCG is proud that it represents the whole community not just part.

## DEVELOPMENT AND PERFORMANCE

### Financial review

The College made a surplus of £1.9m in 2023/24, the College's operating performance was £1.5m which was in line with the approved Budget. This is a small increase from the previous year.

MKCG received 86% of its total income for 2023/24 as grants from funding bodies, with 73% coming from the Education and Skills Funding Agency for 16-18 provision and the Ministry of Justice.

The College has undertaken a £8m part DfE funded Capital Transformation Fund (CTF) project to improve its Chaffron Way Campus. DfE provided a grant of £4m with the College contributing £4m. The CTF is due to be completed in November 2024.

The College is currently updating its Decarbonisation Plan and Lifecycle Plan to enable it to prioritise £1m of DfE Capital Grants awarded in 2022/23.

The College has undertaken a detailed review to inform its Estates Strategy and support bidding for funding to meet forecast student number growth.

The College has one active subsidiary company, MKC Commercial Limited. The principal activity is resourcing staff for the College. There is no surplus generated by the subsidiary this year.

The MKCG year-end net current assets show an asset of £0.023m (2022/23 of £2.219m).

MKCG total net assets were £30.1m (2022/23 net asset of £28.4m).

MKCG has a year-end cash balance of £9.4m (2022/23 £7.8m).

Tangible fixed asset additions during the year amounted to £4.8m.

### Cash flows and liquidity

There was a £7.1m net cashflow from operating activities and outflow of £5.5m from investing activities.

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### Sources of income

MKCG has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24 the Further Education (FE) funding bodies provided 47% of MKCG's total income. The MoJ and Serco provide 46% of MKCG's income. The diversity of total income ratio is 17%, which is in excess of the recent General Further Education (GFE) benchmark of 14.5%.

## FUTURE PROSPECTS

### Future developments

MKCG has invested in its facilities, with an extension to, and redevelopment of, the ITC building at Chaffron Way Campus and the recent completion of the SClot building in Bletchley. These developments enable MKCG to increase student recruitment and offer more high-quality teaching and learning spaces. They allow MKCG to develop the technical course offering in specifically designed areas. New courses have been designed and will be delivered, aligned to the local and regional economies.

The sector is currently facing changes with the defunding of BTECs and introduction of T-Levels, which will continue to impact curriculum design. To mitigate this risk MKCG is reforming its curriculum offer, including starting the delivery of new A level Pathways in September 2024.

The College is also working with local employers to develop new courses highlighted in the Local Skills Improvement Plan, both short courses and longer courses aimed at both the 16-18 market and adults. This will increase student recruitment through both the broader range of courses on offer and the higher standard of delivery. The Green Skills Centre has been launched in October 2024 with a curriculum being developed to be launched in-year.

MKCG continues to thrive, fulfilling an essential role in the heart of its communities through instilling its values of inspiration, excellence, innovation, respect, integrity and belonging into everything it does.

MKCG has submitted tenders for the new Prison Education Services (PES) Contracts, which are due to commence on 1 October 2025, following the conclusion of the current Prison Education Framework (PEF) Contracts.

Our work to meet employer needs has led to a range of exciting projects. These include our innovative partnership with Silverstone to place our Hospitality and Catering students in their facility to develop real work skills. This real-life partnership is working with Silverstone to train its future workforce, with all students also becoming part of the Silverstone Occasional Worker workforce to provide additional real work experience. This has enhanced the learning and skills development, through an inspirational learning journey which supports the development of outstanding skills, knowledge, and behaviours, producing industry ready employees, leading to employment. We have also launched a partnership with Oracle Red Bull Racing to deliver the STEMx programme, a STEM experience and associated learning package for school aged children to inspire them into science, technology, engineering and maths careers.

The SClot building at Bletchley has been completed and it opened formally in June 2023. The curriculum has continued to develop and grow in partnership with key stakeholders.

The apprenticeship provision has been through considerable change and successfully transitioned from Apprenticeship Frameworks to Apprenticeship Standards; new funding rules and the robust assessment methods have been embraced. The apprenticeship team has a wide scope of provision that is supporting local and national employers. MKCG works closely across the local community ensuring it plays an active role in understanding skills requirements and fulfilling skills needs through community, civic, education and employer-focussed activities.



# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

MKCG was a key contributor to the MK 2050 future planning strategy and co-delivered MK Learning 2050. MKCG continues to be actively involved with the Milton Keynes Secondary Heads Network. At a regional level, MKCG is the lead of the CoSEM group of colleges.

MKCG has led the Local Skills Improvement Fund (LSIF) bid submission across the five SEMLEP colleges. This project is part of a long-term change programme to invest in new facilities, provision, and teaching expertise needed to deliver the skills priorities set out in the Local Skills Improvement Plans (LSIPs). Phase 2 of the LSIF project is due to be completed by the end of March 2025

### **Future developments**

MKCG has been successful in using market intelligence to identify sector trends at both industry and occupational level. This has enabled MKCG to secure capital funding to continue to review and grow areas linking back to local demand.

Leaders and managers have continued to invest in and develop industry-standard and excellent facilities and resources. Teachers use these effectively to enthuse and inspire learners. For example:

- Milton Keynes College is the lead provider of the South-Central Institute of Technology and have invested £18m into the Bletchley Campus to deliver this new facility and Digital upskilling (including Higher Education) for the region.
- Through Capital Transformation Fund and Decarbonisation planning, the College has invested almost £4m into the Estate to support its Sustainability commitments.
- The College has developed an Estates Plan to support it increase its post-16 capacity to meet the growth in the numbers of 16 to 18 years olds across Milton Keynes.
- The College has invested £0.7m (including £0.57m of LSIF Funding) to build a new Green Skills Centre at its Chaffron Way Campus, to meet employers needs to develop skills across the green, sustainability, and retrofit sector.

### **Financial plan**

The Board of Governors approved a financial plan in July 2024 and has challenged the ELT to maintain financial sustainability including 'Good' Financial Health.

MKCG is committed to observing the importance of sector measures and indicators and uses the MIDES data which looks at measures such as retention and success rates. MKCG is required to complete an annual College Financial Forecasting Return (CFFR) for the ESFA. MKCG has invited the FE Commissioner's Team to undertake a FEC Curriculum and Financial Sustainability Study (CEFSS) in Spring 2025.

### **Treasury policies and objectives**

MKCG has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Following the Office for National Statistics (ONS) reclassification of colleges, future borrowing must be authorised by the Department for Education (DfE).

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### Reserves

The College had no formal Reserves Policy during 2023/24 but will draw one after year-end to guide financial decision-making in future. The policy gives guidance on the minimum level of cash working capital and unrestricted reserves balances to ensure the College can both meet any short-term obligation but also ensure long-term sustainability. The reserves policy is not the only means of assessing going concern but contributes to this. The College keeps cash and reserves to ensure that it meet unexpected costs, deal with income shortfalls resulting from enrolment reductions of government funding changes and meet the future costs of improving the buildings and reducing carbon emissions.

MKCG recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support MKCG's core activities. MKCG reserves include £5.960m held in revaluation reserve. As at the balance sheet date the Income and Expenditure reserve stands at £24.3m (2022/23 surplus of £22.3m).

The Income and Expenditure reserve includes Pension Provisions of £nil (2022/23 - £nil). MKCG reserves include £nil (2023: £nil) held as restricted reserves.

It is the Corporation's intention to begin increasing non-pension related reserves over the life of the strategic plan, with the generation of annual operating surpluses.

## PRINCIPAL RISKS AND UNCERTAINTIES

MKCG has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Board of Governors has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A strategic risk register is maintained at the college level which is reviewed at each Audit & Risk Committee, three times a year. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on MKCG and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The main risk factors affecting the College are outlined below along with the action taken to minimise them. Not all the factors are within MKCG's control. Other factors besides those listed below may also adversely affect MKCG.

Key Strategic Risk (highest priority)	Mitigations
Safeguarding: Harm to students, staff and members of the wider college community.	Group Safeguarding Strategy, subject to annual review, which is supported by appropriate policies and procedures and training for all Staff.  Annual Internal Audit (substantial assurance)
Data breach and / or cyber incident resulting in a fine, data losses and reputational damage.	Approved policies and procedures which are regularly updated. Mandatory staff training Internal Audit and ISO 27001 accreditation. Cyber Essentials and Cyber Essentials Plus. Acknowledgement of the Acceptable Usage Policy by all Staff. Use of Content Filters and Multi Factor Authorisation. Active scanning for vulnerabilities Dedicated IT Security Team

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

Based on the strategic plan, on an ongoing basis, the MKCG Risk Management Group (RMG) undertakes a comprehensive review of the high-level risks which pose a threat to the achievement of strategic objectives. The RMG considers systems and procedures, including specific preventable actions, to mitigate potential impacts. Where considered necessary, new controls are introduced, and/or existing internal controls are further strengthened, whether this be in the form of challenge and scrutiny by the RMG, or reviews undertaken by MKCG's Internal Auditors. In addition, the RMG considers risks which may arise as a result of a new area of work being undertaken and any such changes to the MKCG's risk profile will be considered as part of an ongoing review of the Internal Audit Strategy and Plan. The Risk Management Policy was reviewed and in 2022/23 and includes a detailed assessment of the Colleges risk appetite to inform future developments, ensuring any risks taken are in a considered and controlled manner and commensurate with the potential reward.

A lower priority strategic risk is the reliance on continued government funding through the FE sector funding bodies and through the Office for Students (OfS). In 2023/24, 86% of MKCG's revenue was ultimately publicly funded, and this level is expected to continue. This risk is mitigated in several ways:

- Effective Employer Engagement.
- High quality education and training delivery.
- Maintaining and managing key relationships funding bodies.
- A focus on provision which provides a solid financial contribution and on priority sectors which will continue to benefit from public funding.
- Close engagement with the MoJ.

**Buildings and infrastructure** is an operational risk

A comprehensive asset conditions survey was carried out of the campus estate (Chaffron Way and Bletchley) in 2019 which highlighted the need for investment in the estate and infrastructure (which had suffered from limited investment previously). The survey informed a 5-year Estates Plan.

Modernising and making the estate fully fit for purpose will require further investment, enabling MKCG to deliver an outstanding learning, and working environment, further enhancing the student and staff experience, increase efficiencies to meet the sustainability agenda and reduce running costs. MKCG has been successful in securing significant grant funding to support capital developments. To note the Strategic Estates review referred to on Page 7.

## KEY PERFORMANCE INDICATORS

### Student achievement (Campus)

MKCG students continue to prosper. Achievement rates remained high in 2023/24 and 95% of students moved into employment, further or higher education after completing their college course.

In 2023/24 clear progress has been made to improve achievement rates and other academic Key Performance Indicators (KPIs).

- 16-18 overall achievement, including English and maths, finished at 81%, which is a 1-percentage point decrease on 2022/23, although 16-18 vocational achievement at 87% is a 3-percentage point improvement on 2022/23.
- All ages overall achievement, including English and maths, finished at 83%, which is in line with 2022/23.
- Adult overall achievement, including English and maths finished at 87%, which is 1.6 percentage points above 2022/23.
- GCSE English high grades finished at 28%, which although 3.3 percentage points below 2022/23, is 7 percentage points above the national average.



# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

- GCSE maths high grades finished at 19.3%, which was 2.7 percentage points above 2022/23 and 1.6 percentage points above the national average.
- English Functional Skills actual achievement finished at 69%, which although 6 percentage points below 2022/23, is just above the national average.
- Maths Functional Skills actual achievement finished at 44%, which is 12 percentage points below 2022/23.
- Higher Education achievement finished at 79.3%, and just above 2022/23.
- Overall Apprenticeships finished at 65.8%, which is 10 percentage points higher than 2022/23.

### Student achievement (Prison Services)

The Prison Education Framework (PEF) Contract commenced on 1 April 2019 and is now into year five of the contract. From 1 April 2023 MKCG took on the additional responsibility of the Kent, Surrey, and Sussex region, adding a further 10 prisons to our portfolio. MKCG now delivers learning and skills in 30 prisons across four PEF Lots: LTHSE North, LTHSE South, South Central and Kent, Surrey, and Sussex, and the Education contract at HMP Fosse Way through its partnership with Serco.

MKCG has continued to deliver strong achievement rates in Prison Services. Across the hybrid year, between 1 August 2023 to 31 July 2024, across the 29 prisons, (excluding Fosse Way) MKCG engaged with 9,968 individual prisoners to deliver 21,820 individual qualifications with an achievement rate (Actual Success) of 96.3%. Within this Functional Skills English achievement (Actual Success) was 93% and Functional Skills maths achievement (Actual Success) was 85.6%.

### Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting period 1 August 2023 to 31 July 2024, MKCG paid 95 percent of its invoices within 30 days. MKCG incurred no interest charges in respect of late payment for this period.

### Streamlined Energy and Carbon Reporting

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

- Replacement of redundant ventilation systems with energy efficient Mechanical Ventilation Heating Recovery (MHVR) at Chaffron Way
- Upgraded insulation in the roof at Chaffron Way main building
- New Windows and doors installed to reduce loss of heat
- Continuation of installing LED lighting throughout the estate as areas are refurbished.
- Car sharing spaces have been introduced giving people the opportunity to reduce their carbon footprint by sharing transport.
- Continued implementation of “Genius Hub”, a smart monitoring system for heating and cooling. This detects when someone is in a room and will turn on the heating and then switch off when they leave. This monitoring measurement will contribute to reducing emissions caused by fossil fuels.
- Continued policy of recycling and upcycling furniture and building materials.
- PV installed at the ITC building

MKCG’s greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2024 UK Government’s Conversion Factors for Company Reporting are as follows:

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

UK Greenhouse gas emissions and energy use data for the period	1 August 2023 to 31 July 2024	1 August 2022 to 31 July 2023
Energy consumption used to calculate emissions (kWh)	4,306,947	3,944,934
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	280.0	264.4
Owned transport	1.1	1.2
Total	281.1	265.6
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	570.4	512.8
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	4.0	4.5
<b>Total gross emissions in metric tonnes CO2e</b>	<b>855.5</b>	<b>782.9</b>
<u>Intensity ratio</u>		
Metric tonnes CO2e per student/FTE/staff member	1.416 (Staff) 0.031 (floor area)	1.376 (Staff) 0.037 (floor area)
<b>Intensity ratio</b>	The chosen intensity measurement ratio is emissions per staff member.	

### Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires publication of information on facility time arrangements for trade union officials.

Numbers of employees in the relevant period	FTE employee number
19	18.8

Percentage of time	Number of employees
0%	
1-50%	19
51-99%	
100%	

<b>Total cost of facility time</b>	<b>£20,761</b>
<b>Total pay bill</b>	£41.522m
<b>Percentage of total bill spent on facility time</b>	0.05%
<b>Time spent on paid trade union activities as a percentage of total paid facility time</b>	100%

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### EQUALITY AND DIVERSITY

#### Equality

MKCG is committed to ensuring equality of opportunity for all who learn and work within it. It is a signatory of the Race at Work Charter and the sector specific, [Association of Colleges EDI Charter](#). It holds [Leaders in Diversity](#) status to be reviewed in Q4 2024. It respects and values positively differences in age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief and sexual orientation. It strives vigorously to remove conditions which place people at a disadvantage and works to be fully inclusive in its approach. Its commitment to equal opportunities is implemented, and monitored, on a planned basis through the Equality Strategy Review Group (ESRG) and MKCG publishes an Equality, Diversity and Inclusion (EDI) Report and Equality Objectives to ensure compliance with all relevant legislation. MKCG has also established five employee networks (employee resource groups) which represent the organisational demography.

MKCG undertakes equality impact assessments across all risk areas detailed within its Risk Register and on all new policies, procedures and organisational changes. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

MKCG aligns with the [Mindful Employer Charter](#) initiative to assist the mental health and wellbeing of colleagues and is also a [Disability Confident](#) employer. MKCG has also employed a dedicated Equality, Diversity, and Inclusion Manager. MKCG also provides an Equality and Diversity online training programme which is mandatory for all colleagues. Refresher training and training for new starters is carried out regularly. MKCG has trained mental health first aiders who respond quickly to support students' and staff needs.

#### Gender pay gap reporting

	Year ending 31 March 2024
Mean gender pay gap	5.8%
Median gender pay gap	7.3%
Mean bonus gender pay gap	-47.3%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0.9%/0.6%

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

	Males	Females
1 - Lower quartile	19.8%	80.2%
2 - Lower Middle Quartile	30.3%	69.7%
3 - Upper Middle Quartile	33.9%	66.1%
4 - Upper quartile	37.5%	62.5%

MKCG publishes its annual gender pay gap report on its website.

[MKCG Gender & Ethnicity Pay Gap Report 23-24 \(mkcollege.ac.uk\)](#)



# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### **Ethnic pay gap reporting**

MKCG publishes its Ethnicity Pay Gap report alongside the Gender Pay Gap Report. This has been published since 2021. MKCG [Gender & Ethnicity Pay Gap Report 23-24 \(mkcollege.ac.uk\)](https://mkcollege.ac.uk/gender-ethnicity-pay-gap-report-23-24)

### **Disability statement**

MKCG seeks to achieve the objectives set down in the Equality Act 2010:

1. On an ongoing basis, any redevelopment of buildings ensures the installation of lifts and ramps so that most of the facilities will allow access to people with a disability.
2. MKCG has a Head of People Development and EDI who provides strategy and the implementation of advice and guidance and coordinates support where necessary for students and employees with disabilities so that no student is left behind. The Equality and Diversity Policy is available on the College website.
3. There is a list of specialist equipment, such as lighting and audio facilities, which MKCG can make available for use by students.
4. The Admissions Policy for all students is available on our website. Appeals against a decision not to offer a place are dealt with under the Complaints Policy.
5. MKCG has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of colleague development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
6. Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format.
7. Colleagues are involved in decision making through representation on the Board of Governors, the ESG, and Employee Networks for LGBTQ, Disability, Cultural Diversity, Women and Men. The College works collaboratively with the recognised trades unions, UCU and Unison.
8. Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

## **GOING CONCERN**

After making appropriate enquiries, the Board of Governors considers that MKCG has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

## **EVENTS AFTER THE REPORTING PERIOD**

There have not been any events.

## **DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**Ruby Parmar**

Chair of Governors

# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024

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

### GOVERNANCE CODE

MKCG endeavours to conduct its business:

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

In the opinion of the Board of Governors, MKCG complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on an internal review of compliance with the Code reported to the Board of Governors on 6 November 2024. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code issued by the AoC in March 2015, which it formally adopted on 12th November 2015. The Board has adopted the AoC revised Code from 1 August 2024. An [External Governance Review](#) was undertaken in Spring 2024 and a summary of the findings and recommendations is published on the College website. The review was undertaken by Pauline Odulinski OBE, Consultant.



# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

### THE CORPORATION

#### Members of the Corporation (Board of Governors)

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

Name	Date of appointment	Term of Office	Date of Resignation/ Retirement	Status of appointment	Committees Served in 23/24	Attendance in 2023/24 at Corporation Meetings (i.e. Board & formal Committees*)
Sally Alexander	1.9.22	Ex officio		College CEO and Group Principal	Search & Governance	12/12
Abbas Bandali	1.11.24 (1st term)	1 year		Student		n/a
Richard Bartlett-Rawlings	13.7.22 (2nd term)	3 years		Independent	Audit & Risk (Chair)	9/11
Ian Bickers	1.8.24 (1st term)	3 years				n/a
Ajira Bouchada	2.10.24 (1st term)	3 years		Independent		n/a
Alan Cook CBE	31.7.22 (2nd term)	1 year + 1 year	15.4.24	Independent	Audit & Risk (Chair) Remuneration	7/9
Mateusz Gotkowski	13.7.22 (2nd term)	3 years		Independent	Audit & Risk	13/13
Sean Hainsworth	13.07.22	3 years	15.4.24	Staff		5/5
Dr Leroi Henry	1.8.23 (1st term)	3 years		Independent		5/8
Jacob Jempson	25.11.22	2 years	10.7.24	Student		6/8
Shalom Lloyd	06.12.21 (1st term)	3 years	22.8.23	Independent		n/a
Catherine McKenna-Mackmurdo	1.11.24 (1st term)	1 year		Student		n/a
David Meadowcroft	04.05.21 (3rd term)	3 years	31.12.23	Independent	Chair of Corporation Remuneration	2/3
Rebecca Myrie	18.9.23	3 years		Staff		7/8
Amit Nayyar	1.8.23 (1st term)	3 years		Independent	Audit & Risk Remuneration	11/13
Angela Novell	28.10.22 (1st term)	3 years		Independent	Remuneration	9/9
Adebimpe Rosemary Ogunade	16.11.23	2 years	10.7.24	Student		4/8
Balvinder (Ruby) Parmar	1.1.24 (3rd term)	3 years		Independent	Chair of Corporation Remuneration Search & Governance	10/12
Ian Revell	10.06.24 (2nd term)	3 years		Independent	Search & Governance (Chair)	12/12
Neil Sainsbury**	13.7.22 (2nd term)	3 years		Independent		4/5
Lindsey Styles	1.8.24 (1st term)	3 Years		Independent		n/a
Jay Timpany	16.6.24	3 years		Staff		n/a
Manish Verma	13.7.22 (2nd term)	3 years		Independent	Search & Governance	9/12
Jeremy Wilsdon	28.10.22 (1st term)	3 years		Independent		5/8
Tom Wraight	1.8.23 (1st term)	3 years		Independent		6/8

Karen Brown, Head of Governance, acted as Clerk to the Corporation

\* Audit & Risk, Remuneration, Search & Governance. Remuneration

\*\* Sabbatical 25/9/23 - 31/1/24



# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

Meeting attendance at Board and formal committees in 2023/24 was:

- Board 82%
- Audit & Risk Committee 84%
- Search & Governance Committee 75%
- Remuneration Committee 100%

Additionally, Governors met as members of the Curriculum & Quality Group, Finance Group, Capital Projects Monitoring Group (which are not formal committees).

### The Governance Framework

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

The Board of Governors is provided with regular and timely information on the overall financial performance of MKCG together with other information such as performance against funding targets, proposed capital expenditure, quality and the student experience, personnel related matters, health & safety, equality, and diversity, safeguarding and environmental issues. The Board of Governors met eight times plus a strategic half-day meeting.

Business is conducted through regular corporation meetings, three formal committees (Audit & Risk, Remuneration and Search & Governance) and Task & Finish Scrutiny Groups. Each committee / group has terms of reference which have been approved by the Board of Governors. The Audit & Risk Committee met five times, the Search and Governance Committee met four times, and the Remuneration Committee met once. There was a mix of 'in person' and online meetings.

Full minutes of all Board and Committee meetings, except those deemed to be confidential by the Board of Governors, are available on the website ([mkcollege.ac.uk](http://mkcollege.ac.uk)) or from the clerk at:

Milton Keynes College  
Bletchley Campus  
Sherwood Drive  
Bletchley  
Milton Keynes  
MK3 6DR

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

All Governors are able to take independent professional advice in furtherance of their duties at MKCG's expense and have access to the clerk to the Corporation, who is responsible to the Board of Governors for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the clerk 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 Board meetings. Briefings are provided on an ad-hoc basis.

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

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate. The CEO & Group Principal is the MKCG Accounting Officer.



# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

### Appointments to the Board of Governors

Any new Governor appointments are a matter for the consideration of the Board of Governors as a whole. The **Search and Governance Committee**, consisting of four members of the Board of Governors is responsible for the selection and nomination of any new member for the Board of Governors' consideration. The Board of Governors is responsible for ensuring that appropriate training is provided as required.

Members of the Board of Governors are appointed for a term of office not exceeding four years (usually three years). Members may apply to serve a further term (the maximum is usually three terms i.e., nine years but exceptionally four terms).

### Corporation performance

The Board of Governors assesses its performance through a range of activities including self-assessment and feedback from the MKCG Leaders and Managers.

The Board of Governors carried out a self-assessment of its own performance for the year ended 31 July 2023 and graded itself as "Good" on the Ofsted scale.

The Board of Governors has considered DfE guidance on external governance reviews and an external review of governance was carried out in Spring 2024 by Pauline Odulinski OBE. The summary of the review findings and recommendations has been published on the website ([External Governance Review](#)); all recommendations have been actioned.

The Board of Governors is committed to development and held a half-day strategy day including briefings on sector challenges by the President of the AoC and on the local vision by the Director of Planning and Placemaking, Milton Keynes City Council.

Other development in 2023/24 included:

- ETF Chairs' Leadership Programme (Chair of Governors)
- ETF Staff Governors Conference (Staff Governor)
- AoC Chairs Network (Chair of Governors)
- AoC Chairs of Finance and Quality (Chair of Audit & Risk, Chair of Curriculum & Quality)AoC Student Inductions and Network (Student Governors)
- AoC series of Finance masterclasses (which was then cascaded to other governors who could not attend)
- DfE webinar on Accountability Statements
- Preparing for Ofsted by the AoC and a former HMI
- Board responsibilities and assurance on Safeguarding & Prevent, SEND and EDI facilitated by College Leaders.
- ETF Safeguarding online module (Safeguarding Link Governors)
- ETF Governance Development Programme (self-managed programme of online learning).
- AoC Induction (new Independent Governors)
- Buzzacott webinar on the new College Financial Handbook
- Internal Induction (new Independent Governors, one co-opted, two Student Governors, one Staff Governor).
- AoC Governance Summit
- AoC Conference
- AoC / ETF Programme for Governance Professionals: Expert (Governance Partner)
- Eversheds Sutherland Webinars: Charity Law, Company Law Refresher, Subsidiary Companies
- AoSEC Networking Meetings for Governance Professional (Head of Governance and Governance Partner)
- Mandatory Online Training (Governors, Head of Governance, Governance Partner): Safeguarding, Prevent, Health & Safety, Data Security

# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

### Remuneration Committee

Throughout the year ending 31 July 2024, the Remuneration Committee comprised five members of the Board of Governors. The committee's responsibilities include decisions on the remuneration and benefits of the Accounting Officer and other senior post holders. The Committee met once and attendance was 100%.

The Board of Governors has adopted the AoC Senior Post Holder Remuneration Code and publishes an annual report on the website in accordance with the Code.

Details of the remuneration of key management personnel, including senior post holders, for the year ended 31 July 2024 are set out in note 6 to these financial statements.

### Audit & Risk Committee

The Audit & Risk Committee comprised four Independent members (until April 2024 when one resigned) of the Board of Governors (excluding the Accounting Officer, Chair of Governors, Staff Governors and Student Governors) and a co-opted governor. The committee operates in accordance with written terms of reference approved by the Board of Governors.

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

The internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit and Risk 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 and Risk Committee also advises the Board of Governors on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Board of Governors. The contract for internal audit was subject to competitive tender in 2021/22 resulting in a change of internal auditors. The contract for external audit was subject to competitive tender in 2023 and the existing external auditors were re-appointed.

The Audit and Risk Committee met five times in the year to 31 July 2024 and overall attendance was 84%. The members of the committee and their attendance records are shown below:

Committee Member	Number of Meetings Attended
Richard Bartlett-Rawlings (Chair from April 2024)	3/3
Alan Cook CBE (Chair until April 2024)	3/3
Jasmine Fergusson (co-opted)	5/5
Mateusz Gotkowski	2/4
Amit Nayyar	3/4

Members have the appropriate skills and experience to challenge and support management. Members have recent, relevant experience in risk management, finance and assurance.

### Search & Governance Committee

Throughout the year ending 31 July 2024, the Search & Governance Committee comprised four members of the Board of Governors. The committee's responsibilities include the effectiveness of Governance and recommendations to the Board on appointing independent governors. The Committee met 4 times and overall attendance was 75%

### Scrutiny Groups

Additional scrutiny groups oversee finance, curriculum and quality and capital projects.

### INTERNAL CONTROL

#### Scope of responsibility

The Board of Governors is ultimately responsible for MKCG'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 of Governors has delegated the day-to-day responsibility to the CEO & Group Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between MKCG and the funding bodies and the OfS registration conditions. The CEO & Group Principal is also responsible for reporting to the Board of Governors on any material weaknesses or breakdowns in internal financial 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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The Board of Governors has reviewed the key risks to which MKCG is exposed, together with the operating, financial and compliance controls and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating, and managing significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. The process is reviewed by the Audit & Risk Committee and the Board of Governors regularly.

#### The risk and control framework

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

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Governors.
- Regular reviews by the Board of Governors of periodic and annual financial forecasts which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines, where appropriate.
- Clear Financial Regulations include delegated authorities, policies on counter fraud and bribery, gifts and hospitality and travel and expenses, appropriate data assurance arrangements.

# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

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 MKCG 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 & Risk Committee. At least annually, the Head of Internal Audit (HIA) provides the Board of Governors (via the Audit & Risk Committee) with a report on internal audit activity. The report includes the HIA's independent opinion on the adequacy and effectiveness of the MKCG's system of risk management, controls, and governance processes.

### **Risks faced by the Corporation**

The Board of Governors has an Audit and Risk Committee that meets at least three times per year with an agenda to seek assurance on risk management arrangements and assurance from management as well as from independent bodies such as the internal audit service, statutory financial statements auditor and other key reference bodies, including commissioning specific reviews where they are considered appropriate. Risks are assessed and scored against likelihood and impact then recalibrated after mitigating actions are taken, to arrive at a net risk score. The highest scoring risks receiving the greatest scrutiny. The committee reports its findings and levels of assurance to the Board of Governors regularly.

The principal risks are reported above in the Strategic Report.

### **Control weaknesses identified**

For the period ending 31 July 2024 and up to the date of approval of the annual report and accounts, the internal auditors identified no significant weaknesses in MKCG's systems.

### **Responsibilities under funding agreements**

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

Based on the work of the Audit & Risk Committee as set out in its annual report and the work of internal audit, the Audit & Risk Committee has advised the Board of Governors that the Corporation does have an effective framework for governance and risk management in place. The Audit and Risk Committee believes the Corporation does have effective internal controls in place.

The specific areas of work undertaken by the Audit and Risk Committee in 2023/24 and up to the date of the approval of the financial statements include:

- Risk management arrangements and the Strategic Risk Register.
- Internal audit: agreeing the annual strategy and plan, reviewing audit reports, and approving the management response, tracking progress in implementing recommendations. The following areas were subject to internal audit relating to the period 1 August 2023 to 31 July 2024:
  - Work Experience: 'Adequate' assurance with two 'amber' and two green recommendations.
  - Corporate Governance: 'Substantial' assurance (highest level) with one 'green' recommendation.
  - Application to Enrolment and Marketing: 'Adequate' assurance with two 'amber', four 'green' and one 'blue' recommendation.
  - Core Financial Controls: 'Substantial' assurance with one 'amber' and two 'green' recommendations.



# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

- Safeguarding: ‘Substantial’ assurance with two ‘green’ recommendations.
- Budgetary Controls: ‘Substantial’ assurance with one ‘amber’ recommendation.
- Prison Contracts: Substantial assurance with no recommendations.
  
- External audit: agreeing the annual strategy and plan and reviewing the post-audit management report.
- ESFA Audit resulted in an overall satisfactory outcome.
- Ensuring compliance with the Post-16 Audit Code of Practice
- Agreeing changes to the Financial Regulations and recommending to the Board of Governors for approval.

### Review of effectiveness

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

- The work of the internal auditors.
- The work of the MKCG executive managers who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the financial statements auditors, the reporting accountant for regularity assurance and the appointed funding auditors in their management letters and other reports.

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

The senior management team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

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



# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

## CONTROL FOR THE YEAR ENDED 31 JULY 2024 *continued*

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Corporation is of the opinion that MKCG 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 corporate body and the safeguarding of their assets'*.

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

**Ruby Parmar**  
Chair of Governors

**Sally Alexander**  
CEO & Group Principal / Accounting Officer





# STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

## FOR THE YEAR ENDED 31 JULY 2024

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

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

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

**Sally Alexander**  
**Accounting Officer**  
**11 December 2024**

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

**Ruby Parmar**  
**Chair of Governors**  
**11 December 2024**



# STATEMENT OF RESPONSIBILITIES OF THE MEMBERS

## OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2024

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

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

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

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

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position which enables 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 its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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

**Ruby Parmar**

Chair of Governors

# INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

## MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2024

### Opinion

We have audited the financial statements of Milton Keynes Colleges Group and its subsidiaries (collectively the 'Group') for the year ended 31 July 2024 which comprise the Group and College statement of comprehensive income and expenditure, the Group and College statement of changes in reserves and balance sheets, 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) and the College Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency).

In our opinion:

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 and 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.



# INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

## MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 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.

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

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

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

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

- The College's grant and fee income, as disclosed in note 2 and 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 and the College or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

### Other information

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, 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.

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; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

## MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2024 *continued*

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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

Buzzacott LLP  
Chartered Accountants and Registered Auditor  
130 Wood Street  
London  
EC2V 6DL



# REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

## FOR THE YEAR ENDED 31 JULY 2024

### **To: The Corporation of Milton Keynes College Group and Secretary of State for Education, acting through Education and Skills Funding Agency (ESFA)**

In accordance with the terms of our engagement letter dated 12th June 2024 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 MKCG during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. 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 MKCG 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 MKCG 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 MKCG and the ESFA for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Milton Keynes College Group and the reporting accountant**

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

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

### **Approach**

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the Corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the MKCG'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.

# REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

FOR THE YEAR ENDED 31 JULY 2024 continued

## Conclusion

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

Buzzacott LLP  
Chartered Accountants and Registered Auditor  
130 Wood Street  
London  
EC2V 6DL





# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND

## EXPENDITURE FOR THE YEAR ENDED 31 JULY 2024

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Group £'000	College £'000	Group £'000	College £'000
<b>INCOME</b>					
Funding body grants	2	59,351	59,351	44,134	44,134
Tuition fees and education contracts	3	4,868	4,868	5,190	5,190
Other income	4	3,952	3,952	3,674	3,674
Investment income	5	437	437	-	-
<b>Total income</b>		<b>68,608</b>	<b>68,608</b>	<b>52,998</b>	<b>52,998</b>
<b>EXPENDITURE</b>					
Staff costs	6	46,181	42,800	36,463	33,670
Fundamental restructuring costs		113	111	81	81
Other operating expenses	7	17,722	21,105	15,154	17,990
Depreciation	9	2,717	2,717	1,963	1,963
Interest and other finance costs	8	-	-	495	495
<b>Total expenditure</b>		<b>66,733</b>	<b>66,733</b>	<b>54,156</b>	<b>54,199</b>
<b>Surplus/(Deficit) before other gains and losses</b>		<b>1,875</b>	<b>1,875</b>	<b>(1,158)</b>	<b>(1,200)</b>
<b>Surplus/(Deficit) before tax</b>		<b>1,875</b>	<b>1,875</b>	<b>(1,158)</b>	<b>(1,200)</b>
Actuarial (loss)/gain in respect of pensions schemes	17	(312)	(312)	16,836	16,836
<b>Total Comprehensive Income for the year</b>		<b>1,563</b>	<b>1,563</b>	<b>15,677</b>	<b>15,636</b>
<b>Represented by:</b>					
<b>Unrestricted comprehensive income</b>		<b>1,563</b>	<b>1,563</b>	<b>15,677</b>	<b>15,636</b>
<b>Surplus for the year attributable to:</b>					
Group		1,563	1,563	15,677	15,636
<b>Total Comprehensive Income for the year attributable to:</b>					
Group		<b>1,563</b>	<b>1,563</b>	<b>15,677</b>	<b>15,636</b>

All items of income and expenditure relate to continuing activities.

# CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES

## FOR THE YEAR ENDED 31 JULY 2024

	Income and expenditure account	Revaluation reserve	Restricted reserves	Total
	£'000	£'000	£'000	£'000
<b>Group</b>				
<b>Balance at 1 August 2022</b>	6,563	6,119	-	12,682
Surplus/(deficit) from the income and expenditure account	(1,158)	-	-	(1,158)
Other comprehensive income	16,836	-	-	16,836
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
	15,757	(79)	-	15,678
<b>Balance at 31 July 2023</b>	<b>22,320</b>	<b>6,040</b>	<b>-</b>	<b>28,360</b>
Surplus/(deficit) from the income and expenditure account	1,563	-	-	1,563
Other comprehensive income	-	-	-	-
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
<b>Total comprehensive income</b>	<b>1,642</b>	<b>(79)</b>	<b>-</b>	<b>1,563</b>
<b>Balance at 31 July 2024</b>	<b>23,962</b>	<b>5,961</b>	<b>-</b>	<b>29,923</b>
<b>College</b>				
<b>Balance at 1 August 2022</b>	6,605	6,119	-	12,724
Surplus/(deficit) from the income and expenditure account	(1,200)	-	-	(1,200)
Other comprehensive income	16,836	-	-	16,836
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
	15,715	(79)	-	15,636
<b>Balance at 31 July 2023</b>	<b>22,320</b>	<b>6,040</b>	<b>-</b>	<b>28,360</b>
Surplus/(deficit) from the income and expenditure account	1,563	-	-	1,563
Other comprehensive income	-	-	-	-
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
<b>Total comprehensive income</b>	<b>1,642</b>	<b>(79)</b>	<b>-</b>	<b>1,642</b>
<b>Balance at 31 July 2024</b>	<b>23,962</b>	<b>5,961</b>	<b>-</b>	<b>29,923</b>

# BALANCE SHEET AS AT 31 JULY

	Notes	Group 2024 £'000	College 2,024 £'000	Group 2023 £'000	College 2023 £'000
<b>Non-current assets</b>					
Tangible Fixed assets	9	60,191	60,191	58,066	58,066
		<b>60,191</b>	<b>60,191</b>	<b>58,066</b>	<b>58,066</b>
<b>Current assets</b>					
Stocks		15	15	14	14
Trade and other receivables	11	5,055	5,055	7,868	7,868
Cash and cash equivalents	14	9,438	9,438	7,833	7,833
		<b>14,508</b>	<b>14,508</b>	<b>15,715</b>	<b>15,715</b>
<b>Creditors – amounts falling due within one year</b>	12	(13,437)	(13,437)	(13,496)	(13,496)
<b>Net current assets</b>		<b>1,071</b>	<b>1,071</b>	<b>2,219</b>	<b>2,219</b>
<b>Total assets less current liabilities</b>					
Creditors – amounts falling due after more than one year	13	(30,294)	(30,294)	(31,925)	(31,925)
<b>Provisions</b>					
Defined benefit obligations	17	-	-	-	-
Other Provisions	17	(1,045)	(1,045)	-	-
<b>Total net assets</b>		<b>29,923</b>	<b>29,923</b>	<b>28,360</b>	<b>28,360</b>
<b>Unrestricted Reserves</b>					
Income and expenditure account		23,962	23,962	22,320	22,320
Revaluation reserve		5,961	5,961	6,040	6,040
<b>Total unrestricted reserves</b>		<b>29,923</b>	<b>29,923</b>	<b>28,360</b>	<b>28,360</b>
<b>Total reserves</b>		<b>29,923</b>	<b>29,923</b>	<b>28,360</b>	<b>28,360</b>

The financial statements on pages 33 to 55 were approved and authorised for issue by the Corporation on 11 December 2024 and were signed on its behalf on that date by

**Ruby Parmar**  
Chair of Governors

**Sally Alexander**  
Accounting Officer

# CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2024 £'000	2023 £'000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		1,872	(1,158)
<b>Adjustment for non-cash items</b>			
Depreciation	9	2,717	1,963
(Increase)/decrease in stocks		(1)	(3)
Decrease/(increase) in debtors		2,812	(3,807)
Increase in creditors due within one year		990	721
Pensions costs less contributions payable	17	(74)	1,003
Released Deferred Capital Grant		(1,157)	(643)
<b>Adjustment for investing or financing activities</b>			
Investment income		199	-
Interest payable	8	(238)	495
<b>Net cash flow from operating activities</b>		<b>7,120</b>	<b>(1,429)</b>
<b>Cash flows from investing activities</b>			
Investment income		(199)	-
Payments made to acquire fixed assets	9	(4,842)	(17,228)
Deferred Capital Grants received		(474)	19,677
		<b>(5,515)</b>	<b>2,449</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>1,605</b>	<b>1,020</b>
Cash and cash equivalents at beginning of the year	14	7,833	6,813
Cash and cash equivalents at end of the year	14	9,438	7,833

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024

### 1. Statement of accounting policies and estimation techniques

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

#### Basis of preparation

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

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

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

#### Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, Milton Keynes Manpower Forum Limited (dormant throughout the period and now dissolved), Prison Education Training Services (MK) Limited (dormant throughout the period and now dissolved), Code Makers Academy Limited (became dormant in April 2023) and MKC Commercial Limited. All financial statements are made up to 31 July 2024.

Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.

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

#### Going concern

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

MKCG has net current assets of £23k. The cash balance has grown by £1,605k during the year.

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

#### Recognition of income

##### *Revenue Grant Funding*

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved.



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 1. Statement of accounting policies and estimation techniques (*continued*)

#### Recognition of income (*continued*)

##### Revenue Grant Funding (*continued*)

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 due within one year and creditors due after more than one year as appropriate.

##### Capital Grant Funding

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

##### Fee Income

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

##### Investment income

All income is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

#### Accounting for post-employment benefits

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

##### Teachers' Pension Scheme (TPS)

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

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



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 1. Statement of accounting policies and estimation techniques (*continued*)

#### Accounting for post-employment benefits (*continued*)

##### *Buckinghamshire Local Government Pension Scheme (LGPS)*

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

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

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

##### **Short term Employment benefits**

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

##### **Enhanced Pensions**

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

##### **Tangible fixed assets**

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

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

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life and refurbishment is depreciated over 10 years.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 1. Statement of accounting policies and estimation techniques (*continued*)

#### Tangible fixed assets (*continued*)

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1992 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 after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

#### Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- |   |                        |   |                              |
|---|------------------------|---|------------------------------|
| • | General equipment      | - | 10% on a straight-line basis |
| • | Computer equipment     | - | 20% on a straight-line basis |
| • | Adaptations            | - | 10% on a straight-line basis |
| • | Furniture and Fittings | - | 10% on a straight-line basis |

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

#### Borrowing costs

There are no borrowing costs in this period, normally they would be recognised as expenditure in the period in which they are incurred.

#### Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

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

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 1. Statement of accounting policies and estimation techniques (*continued*)

#### Leased assets (*continued*)

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 balance sheet as an obligation under finance leases. 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

##### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

#### Inventories

Inventories are stated at the lower of their cost (using the first in first out method), and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

#### Cash and cash equivalents

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

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

#### Financial liabilities and equity

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

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

#### Foreign currency translation

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

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 1. Statement of accounting policies and estimation techniques (*continued*)

#### Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% 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 College has a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

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

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

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

#### *Other key sources of estimation uncertainty*

- *Tangible fixed assets*

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



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 1. Statement of accounting policies and estimation techniques (*continued*)

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

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 balance sheet as an obligation under finance leases. 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.

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- Ministry of Justice

For any Ministry of Justice income where the Ministry of Justice has not completed its reconciliation processes in order to confirm the final income figures, income levels have been estimated based on current known factors.

### 2 Funding body grants

	Y/end 31 July Group	College	Y/end 31 July Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
<b>Recurrent grants</b>				
ESFA – 16-18	21,937	21,937	17,846	17,846
ESFA – adult education budget	2,158	2,158	2,382	2,382
Education and Skills Funding Agency - Apprenticeships	3,287	3,287	2,908	2,908
Office for Students	132	132	99	99
<b>Specific grants</b>				
Ministry of Justice - offender learning - OLASS	28,194	28,194	19,033	19,033
Teacher Pension Scheme contribution grant	1,697	1,697	1,224	1,224
Releases of government capital grants	1,157	1,157	643	643
Other	789	789	-	-
<b>Total</b>	<b>59,351</b>	<b>59,351</b>	<b>44,134</b>	<b>44,134</b>

### 3 Tuition fees and education contracts

	Y/end 31 July Group	College	Y/end 31 July Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Adult education fees	361	361	366	366
Apprenticeship contracts	344	344	393	393
Fees for FE loan supported courses	333	333	507	507
Fees for HE loans supported courses	580	580	563	563
<b>Total tuition fees</b>	<b>1,618</b>	<b>1,618</b>	<b>1,829</b>	<b>1,829</b>
Education contracts	3,250	3,250	3,362	3,362
<b>Total</b>	<b>4,868</b>	<b>4,868</b>	<b>5,190</b>	<b>5,190</b>

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 continued

4 Other income	Y/end 31		Y/end 31	
	July		July	
	Group	College	Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Catering and conferences	833	833	680	680
Other income generating activities	464	464	1,682	1,682
Other Initiatives	-	-	101	101
Commercial Activities/Miscellaneous Income	1,660	1,660	607	607
Bursary Income	995	995	604	604
<b>Total</b>	<b>3,952</b>	<b>3,952</b>	<b>3,674</b>	<b>3,674</b>

5 Investment income	Y/end 31		Y/end 31	
	July		July	
	Group	College	Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Other interest receivable	199	199	-	-
Net return on pension scheme	238	238	-	-
<b>Total</b>	<b>437</b>	<b>437</b>	<b>-</b>	<b>-</b>

### 6 Staff costs – Group and College

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

	Group	College	Group	College
	2024	2024	2023	2023
	No.	No.	No.	No.
Teaching staff	1,049	973	604	554
Non-teaching staff	435	254	412	316
	<b>1,484</b>	<b>1,227</b>	<b>1,015</b>	<b>870</b>

#### Staff costs for the above persons

	Group	College	Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Wages and salaries	35,950	32,886	27,403	24,609
Social security costs	3,260	3,056	2,616	2,616
FRS 102 pension charge	(74)	(74)	1,003	1,003
Other pension costs	6,813	6,699	5,167	5,167
<b>Payroll sub total</b>	<b>45,949</b>	<b>42,568</b>	<b>36,188</b>	<b>33,395</b>
Contracted out staffing services	232	232	275	275
Restructuring costs - Contractual	113	111	81	81
<b>Total Staff costs</b>	<b>46,295</b>	<b>42,912</b>	<b>36,544</b>	<b>33,751</b>

The corporation does not have any salary sacrifice arrangements in place.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 continued

### 6. Staff costs – Group and College (continued)

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College leadership team

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

	2024 No.	2023 No.
The number of key management personnel including the Accounting Officer was:	9	9

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

	Key management personnel		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£10,001 to £15,000 p.a.	-	1	n/a	n/a
£15,001 to £20,000 p.a.	-	1	n/a	n/a
£45,000 -£50,000 p.a.	1	-	n/a	n/a
£60,001 to £65,000 p.a.	-	-	5	3
£65,001 to £70,000 p.a.	-	1	5	6
£70,001 to £75,000 p.a.	-	1	2	2
£75,001 to £80,000 p.a.	2	-	5	3
£80,001 to £85,000 p.a.	1	1	-	-
£85,001 to £90,000 p.a.	1	-	-	-
£100,000 to £105,000 p.a.	1	2	-	-
£110,001 to £115,000 p.a.	1	-	-	-
£115,001 to £120,000 p.a.	1	1	-	-
£150,001 to £155,000 p.a.	-	1	-	-
£155,001 to £160,000 p.a.	1	-	-	-
	<b>9</b>	<b>9</b>	<b>17</b>	<b>14</b>

#### Key management personnel compensation is made up as follows:

	2024 £'000	2023 £'000
Basic salary	773	692
Performance related pay and bonus	-	6
Pension contributions	162	144
Total key management personnel compensation	<b>935</b>	<b>843</b>

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 6. Staff costs – Group and College *(continued)*

Their pay and remuneration is as follows:

	2024 £'000	2023 £'000
Basic salary	160	150
	<u>160</u>	<u>150</u>
Pension contributions	40	33
	<u>200</u>	<u>182</u>

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

The remuneration package of key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who justify the remuneration on the following grounds of affordability, parity of treatment across the College but recognising the importance of stability at a senior level, performance, benchmarking across the sector with similar posts via AoC College Senior Pay Survey, comparator information (the size and complexity of the College/ Group) and any other relevant national and local market information.

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

	2024 £'000	2023 £'000
Principal's basic salary as a multiple of the median of all staff	5	5
Principal and CEO's total remuneration as a multiple of the median of all staff	5	5

#### Compensation for loss of office paid to former key management personnel

	2024 £	2023 £
Compensation paid to the former post-holder	20,000	-
Estimated value of other benefits, including provisions for pension benefits	-	-

#### Severance Payments paid to former staff earning over £60k

	2024 No.	2024 £	2023 No.	2023 £
£0-£25000	-	-	1	4,800

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

### 7 Other operating expenses

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Teaching costs	5,831	5,831	5,807	5,807
Non-teaching costs	8,678	12,061	6,859	9,694
Premises costs	3,213	3,213	2,488	2,488
<b>Total</b>	<u>17,722</u>	<u>21,105</u>	<u>15,154</u>	<u>17,990</u>

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 7. Other operating expenses (continued)

#### Other operating expenses include:

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Auditors' remuneration:				
Financial statements audit*	47	47	38	38
Other services provided by the financial statements' auditor - Projects	12	10	-	-
Internal audit fees	22	22	32	32
Other services provided by the internal auditors	18	18	6	6
Hire of assets under operating leases	601	601	1,136	1,136

\* includes £45k in respect of the College (2023: £36k)

### 8 Interest and other finance costs – Group and College

	2024 £'000	2023 £'000
On bank loans, overdrafts and other loans:	-	-
On finance leases	-	-
Net interest on defined pension liability	-	495
<b>Total</b>	<b>-</b>	<b>495</b>

### 9 Tangible fixed assets (Group)

	Land and buildings		Adaptations £'000	Equipment £'000	Computers £'000	Assets in courses of construction £'000	Total £'000
	Freehold £'000	Leasehold £'000					
<b>Cost or valuation</b>							
At 1 August 2023	46,684	2,969	6,100	5,562	5,157	22,520	88,992
Additions	-	-	35	657	388	3,761	4,842
Transfer upon completion	18,402	-	-	-	-	(18,402)	-
<b>At 31 July 2024</b>	<b>65,086</b>	<b>2,969</b>	<b>6,135</b>	<b>6,219</b>	<b>5,546</b>	<b>7,879</b>	<b>93,835</b>
<b>Depreciation</b>							
At 1 August 2023	19,273	2,969	555	3,562	4,567	-	30,926
Charge for the year	1,505	-	612	345	255	-	2,717
<b>At 31 July 2024</b>	<b>20,779</b>	<b>2,969</b>	<b>1,167</b>	<b>3,907</b>	<b>4,822</b>	<b>-</b>	<b>33,643</b>
<b>Net book value at 31 July 2024</b>	<b>44,308</b>	<b>-</b>	<b>4,968</b>	<b>2,312</b>	<b>724</b>	<b>7,879</b>	<b>60,191</b>
Net book value at 31 July 2023	27,411	-	5,545	2,000	590	22,520	58,066

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	£'000
Cost	-
Aggregate depreciation based on cost	-
<b>Net book value based on cost</b>	<b>-</b>



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 10 Non-current investments

	College 2024	College 2023
	£	£
Investments in subsidiary companies	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

The Group's subsidiary undertakings are as follows: The Group owns 100 per cent of the issued ordinary £1 shares of Prison Education Training Services (MK) Limited and Milton Keynes Manpower Forum Limited, both companies being incorporated in England and Wales, and dormant throughout the period. The Group also owns 100 per cent of the issued ordinary £1 shares of The Code Makers Academy Limited, a company incorporated in England and Wales. The principal business activity of The Code Makers Academy Limited was the provision of staff to SCIoT, the company has been Dormant throughout the year. The Group owns 100 per cent of the issued ordinary £1 shares of MKC Commercial Limited. The principal activity of MKC Commercial Limited is the provision of staff to Milton Keynes College Group. During the accounting period it achieved a breakeven position.

### 11 Trade and other receivables

	Group 2024	College 2024	Group 2023	College 2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	1,001	1,001	725	725
Prepayments and accrued income	4,055	4,055	7,132	7,132
Other debtors	-	-	11	11
<b>Total</b>	<b>5,055</b>	<b>5,055</b>	<b>7,868</b>	<b>7,868</b>

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

	Group 2024	College 2024	Group 2023	College 2023
	£'000	£'000	£'000	£'000
Trade payables	1,178	1,178	1,362	1,362
Other taxation and social security	735	735	686	686
Accruals and deferred income	6,709	6,709	8,599	8,599
Holiday Pay Accrual	1,151	1,151	816	816
Deferred income - government capital grants	1,124	1,124	726	726
Deferred income - government revenue grants	1,966	1,966	584	584
Amounts owed to the ESFA	573	573	723	723
<b>Total</b>	<b>13,437</b>	<b>13,437</b>	<b>13,496</b>	<b>13,496</b>

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

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

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Deferred income - government capital grants	30,294	30,294	31,925	31,925
<b>Total</b>	<b>30,294</b>	<b>30,294</b>	<b>31,925</b>	<b>31,925</b>

### 14 Cash and cash equivalents

	Aug-23 £'000	Cash flows £'000	Other changes £'000	Jul-24 £'000
Cash and cash equivalents	7,833	1,605	-	9,438
<b>Total</b>	<b>7,833</b>	<b>1,605</b>	<b>-</b>	<b>9,438</b>

### 15 Capital and other commitments

	Group and College 2024 £'000	2023 £'000
Commitments contracted for at 31 July	168	868

There were capital commitments of £168k as at 31 July 2024 (2023; £868k).

### 16 Lease obligations

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

	Group and College 2024 £'000	2023 £'000
<b>Future minimum lease payments due</b>		
<b>Non-Land &amp; Buildings</b>		
Not later than one year	503	1,046
Later than one year and not later than five years	512	335
<b>Total lease payments due</b>	<b>1,015</b>	<b>1,381</b>

# NOTES TO THE ACCOUNTS

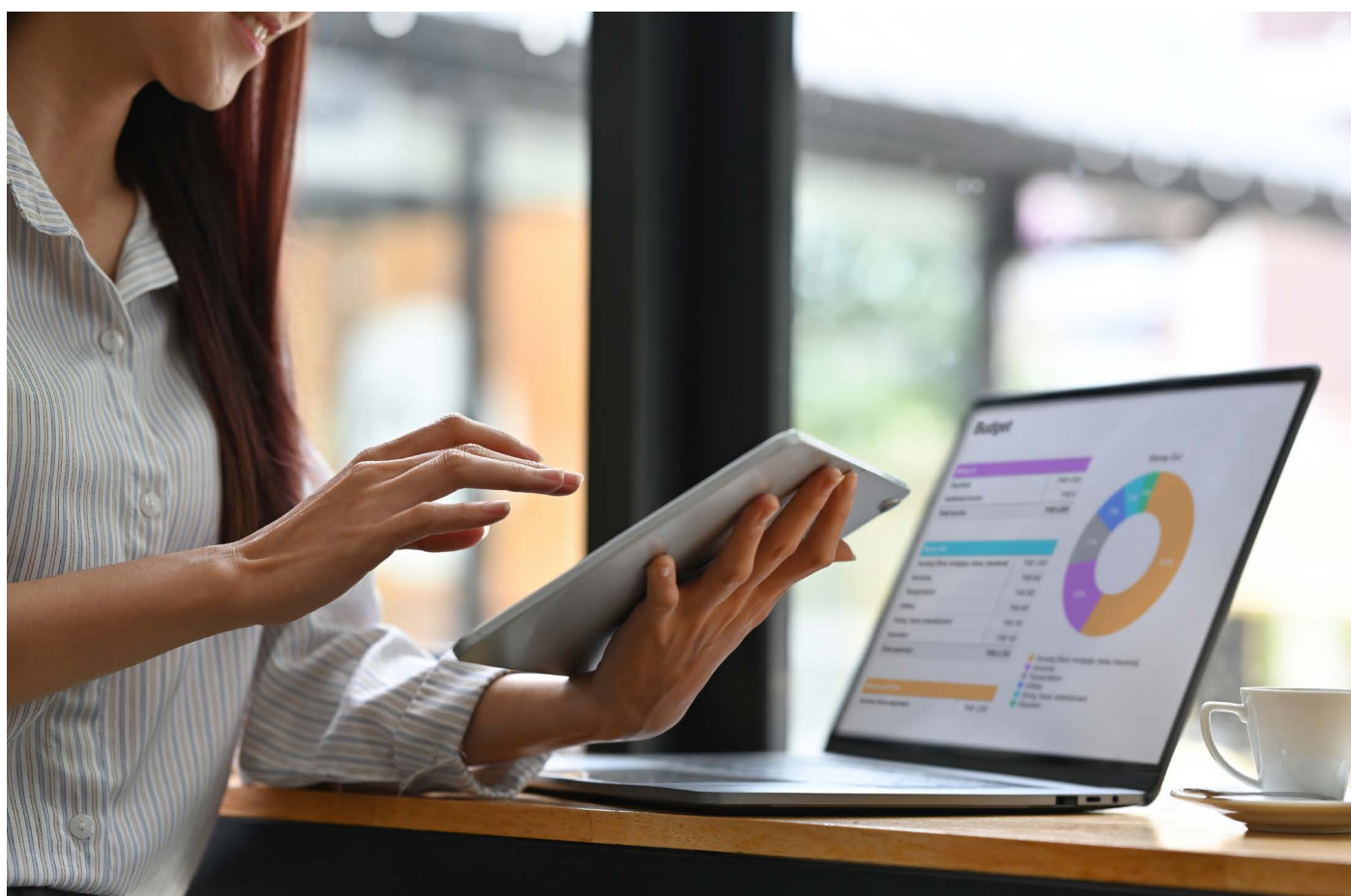
## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 17 Provisions

	Defined benefit obligations	Other	Total
	£'000	£'000	£'000
At 1 August 2023	-	-	-
Expenditure in the period	-	-	-
Additions in the period	-	1,045	1,045
<b>As at July 2024</b>	<b>-</b>	<b>1,045</b>	<b>1,045</b>

### Other Provisions

The College holds a number of provisions relating to present obligations relating to past events that are as yet uncertain in value, other provisions are held at management's best estimate. These provisions relate to a number of items including buildings, legal claims and other potential elements that could impact the College. The provisions are assessed at each balance sheet date and amended to reflect any new information that management have been made aware of.



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 17 Provisions (*continued*)

#### Defined benefit obligations

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

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

<b>Total pension cost for the year</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Teachers' Pension Scheme: contributions paid	4,921	4,626
Local Government Pension Scheme:		
Contributions paid	1,892	2,021
FRS 102 (28) charge	<u>(74)</u>	<u>1,003</u>
Charge to the Statement of Comprehensive Income	1,818	3,024
<b>Total Pension Cost for Year within staff costs</b>	<b><u>6,739</u></b>	<b><u>7,650</u></b>

#### Teachers' Pension Scheme

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

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

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

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

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

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

As a result of the valuation, new employer contribution rates rose to 28.68% from April 2024 (compared to 23.68% during 2022/23).

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

The pension costs paid to TPS in the year amounted to £4,921,000 (2023: £4,626,232)

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 17 Provisions (*continued*)

#### Defined benefit obligations (*continued*)

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Bucks Local Authority. The total contributions made for the year ended 31 July 2024 were £2,465,655 (2023: £2,020,723), of which employer's contributions totalled £1,869,846 (2023: £1,492,226) and employees' contributions totalled £595,808 (2023: £528,497). The agreed contribution rates for future years are 23.3% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

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

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.80%	3.85%
Future pensions increase	2.80%	2.85%
Discount rate for scheme liabilities	5.10%	5.15%
Inflation assumption (CPI)	3.10%	3.15%
Commutation of pensions to lump sums	-	-

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

	At 31 July 2024 Years	At 31 July 2023 Years
<i>Retiring today</i>		
Males	21	21
Females	24	24
<i>Retiring in 20 years</i>		
Males	22	22
Females	26	26

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

	Long-term rate of return expected at 31 July 2024	Fair Value at 31 July 2024	Long-term rate of return expected at 31 July 2023	Fair Value at 31 July 2023
		£'000		£'000
Gilts	9%	5,540	8%	3,988
Equities	51%	30,670	57%	30,294
Other Bonds	12%	7,068	10%	5,265
Property	5%	3,237	5%	2,865
Cash	1%	531	1%	613
Infrastructure	9%	5,217	7%	3,598
Multi Asset Credit	10%	5,713	10%	5,039
Private debt	3%	2,068	2%	1,281
<b>Total fair value of plan assets</b>	<b>100%</b>	<b>60,044</b>	<b>100%</b>	<b>52,943</b>
<b>Weighted average expected long term rate of return</b>	<b>30%</b>		<b>36%</b>	
<b>Actual return on plan assets</b>		<b>(1,186)</b>		<b>(642)</b>



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 17 Provisions (*continued*)

#### Defined benefit obligations (*continued*)

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	60,044	52,943
Present value of plan liabilities	(52,676)	(49,138)
Asset reduced to zero	(7,368)	(3,805)
<b>Net pensions (liability)/asset</b>	<b>-</b>	<b>-</b>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts included in staff costs</b>		
Current service cost	1,602	3,178
<b>Total</b>	<b>1,602</b>	<b>3,178</b>

#### Amounts included in investment income

Net interest income	(238)	495
	<b>(238)</b>	<b>495</b>

#### Amount recognised in Other Comprehensive Income

Return on pension plan assets	3,126	(2,137)
Experience losses arising on defined benefit obligations	44	(5,139)
Changes in assumptions underlying the present value of plan liabilities	81	25,679
Other Actuarial gains/losses on assets	-	2,238
<b>Amount recognised in Other Comprehensive Income</b>	<b>3,251</b>	<b>20,641</b>

#### Movement in net defined benefit (liability)/asset during year

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Net defined benefit (liability)/asset in scheme at 1 August	-	(15,338)
Movement in year:		
Current service cost	(1,765)	(2,637)
Employer contributions	1,892	1,680
Administration costs	(53)	(46)
Net interest on the defined (liability)/asset	238	(495)
Actuarial gain or loss	(312)	16,836
<b>Net defined benefit (liability)/asset at 31 July</b>	<b>-</b>	<b>-</b>

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 17 Provisions (*continued*)

#### Defined benefit obligations (*continued*)

Asset and Liability Reconciliation	2024	2023
	£'000	£'000
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	49,138	65,530
Current service cost	1,623	2,581
Interest cost	2,521	2,218
Contributions by Scheme participants	597	527
Experience gains and losses on defined benefit obligations	(44)	5,139
Changes in financial assumptions	31	(24,052)
Estimated benefits paid	(1,220)	(1,234)
Past Service cost	142	56
Change in demographic assumptions	(112)	(1,627)
<b>Defined benefit obligations at end of period</b>	<b>52,676</b>	<b>49,138</b>

#### Changes in fair value of plan assets

<b>Fair value of plan assets at start of period</b>	52,943	50,192
Interest on plan assets	2,759	1,723
Return on plan assets	3,126	(2,137)
Employer contributions	1,892	1,680
Contributions by Scheme participants	597	527
Administration Costs	(53)	(46)
Estimated benefits paid	(1,220)	(1,234)
Other Actuarial gains	-	2,238
<b>Fair value of plan assets at end of period</b>	<b>60,044</b>	<b>52,943</b>

### 18 Related party transactions

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

Governor	Business Link	Work Carried out for MKCG (and balance outstanding as of 31 July)	
		2023/24	2022/23
Sally Alexander	Trustee WAMITAB	23,268	21,010

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

MKCC Limited, MKC Commercial Limited

Purchase transactions in the year amounted to £3,390k (2023: £2,794k). There were balances outstanding at the year end of £76k (2023: £14k).

The total expenses paid to or on behalf of the Governors (excluding the CEO & Group Principal) during the year was £59:10 (2023: £243). This related to out-of-pocket expenses, evidenced by receipt. The actual cost was reimbursed.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JULY 2024 *continued*

### 19 Amounts disbursed as agent - Learner support funds

	2024 £'000	2023 £'000
16-18 bursary grants	<u>272</u>	<u>272</u>
	<b>272</b>	<b>272</b>
Disbursed to students	(267)	(223)
Administration costs	<u>(5)</u>	<u>(21)</u>
Balance unspent as at 31 July, included in creditors	<u>-</u>	<u>28</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.

### 20 Events after the reporting period

There are no events after the reporting period.





## Chaffron Way Campus

Woughton Campus West  
Leadenhall  
Milton Keynes  
MK6 5LP  
Tel: 01908 684444

## Bletchley Campus

Sherwood Drive  
Bletchley  
Milton Keynes  
MK3 6DR  
Tel: 01908 637200

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