
ABINGDON AND WITNEY COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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ABINGDON AND WITNEY COLLEGE

ADMINISTRATIVE DETAILS

Current Board of Governors

G Maitland-Smith	J Canton	N J Handy	A Mumford	N Pagès	C Kitching
Dr S Wolfe	E Collett	A Bark	D Walker	J Weavers-Medina	
A Schloerscheidt	B Haxton	L Butler	K Schutterlin	M Howe Nordal	

Clerk

L Grainger (resigned 16/01/23)

H Stamp (appointed 01/06/2023)

Senior Management Team

J Canton	Principal and Chief Executive
J Milsom	Deputy Principal Student Engagement
O Cognard	Vice Principal Funding Planning and Systems Improvement
J Price	Vice Principal Curriculum (Commercial and Adults) and Innovation
M Lay	Finance Director
S Kibble	Vice Principal Commercial and Adult Provision (resigned 31/07/23)
S Gray	Vice Principal (Young People) and Quality (from 01/10/23)

Principal and Registered Office

Abingdon and Witney College
Wootton Road
Abingdon
Oxfordshire
OX14 1GG

Financial statement and regularity auditors:

MHA
6th Floor, 2 London Wall Place
London
EC2Y 5AU

ABINGDON AND WITNEY COLLEGE

ADMINISTRATIVE DETAILS

Internal auditors:

TIAA Ltd
Artillery House
Fareham
PO14 1AH

Bankers:

Barclays Bank PLC
11 West Way
Oxford
OX2 0JB

Solicitors:

Shakespeare Martineau
No 1 Colmore Square
Birmingham
B4 6AA

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Abingdon and Witney College
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Tel: 01235 831100
Fax: 01235 831101
Email: enquiries@awc.ac.uk

Headmaster and Deputy Head
Abingdon and Witney College
PO Box 100
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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Report of the Corporation Board

The governing body present their annual report together with the financial statements and auditor's report for Abingdon and Witney College for the year ended 31 July 2023.

OBJECTIVES AND STRATEGIES:**Legal status**

The Corporation, hereinafter called 'the College', was established under the Further and Higher Education Act 1992 for the purpose of conducting Abingdon College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The members of the Corporation are the Corporation Board, who are trustees of the charity, are disclosed on pages 16 and 17.

On 1 April 2001, the Secretary of State granted consent to the Corporation to change its name to Abingdon and Witney College upon the merger of Abingdon and West Oxfordshire Colleges. West Oxfordshire College Corporation was dissolved on 31 March 2001 and all property, rights and liabilities transferred to the re-named Abingdon and Witney College Corporation.

On 29 November 2022, the Office for National Statistics reclassified all Further Education Colleges into the public sector.

Mission

The Strategic Plan was approved by the Board of Governors in October 2022. The College mission is:

"By nurturing and empowering individual students and staff to be the best they can be, we improve lives, communities and the economy through education. Together, we achieve the extraordinary."

Our vision is to be a college where everyone achieves more than they believe possible. We are ambitious for our students, staff, community and partner organisations. We are passionate about creating a sustainable college that supports everyone to achieve their goals, whatever their starting point.

Our intention is that:

- Our students enjoy an extraordinary experience;
- Our staff are empowered to achieve extraordinary things;
- Our community and partners benefit from our commitment to the extraordinary.

Our strategic objectives are:

- Delivering the highest quality student experience
- Developing a transformative and dynamic curriculum
- Maintaining financial security
- Shaping an environmentally sustainable future
- Being the employer of choice

Underpinning each objective are a series of key performance indicators to ensure progress against the objective is visible and monitored effectively.

Public benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation Board, who are Governors of the College, are disclosed on pages 16 and 17.

In setting and reviewing the College's strategic objectives, the Corporation Board has had due regard for the

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

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

- high-quality teaching
- widening participation and tackling social exclusion
- excellent employment record for students
- strong student support systems
- links with employers, industry and commerce

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses the Further Education Provider Performance Measures and National Achievement Rate Tables on the GOV.UK website which look at measures such as achievement rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The Finance Record produces a financial health grading. In March 2023 the ESFA confirmed that the rating was "Requires Improvement" for financial year 2021/22. The financial result detailed in this strategic report should lead to an ESFA financial health grade of "Good" for 2022/23.

FINANCIAL POSITION**Financial results**

A summary of the College's financial result is as follows:

	2023	2022
	£000s	£000s
Overall Profit / (Loss) for year	4,736	17,910
Add back:		
Actuarial (gain) / loss in respect of pension schemes	(5,573)	(20,949)
Impairment of of LGPS Asset	163	-
Pension costs relating to FRS102	919	3,138
Loss / (Profit) on sale of Fixed Assets	29	19
Underlying operating surplus / (deficit)	274	118

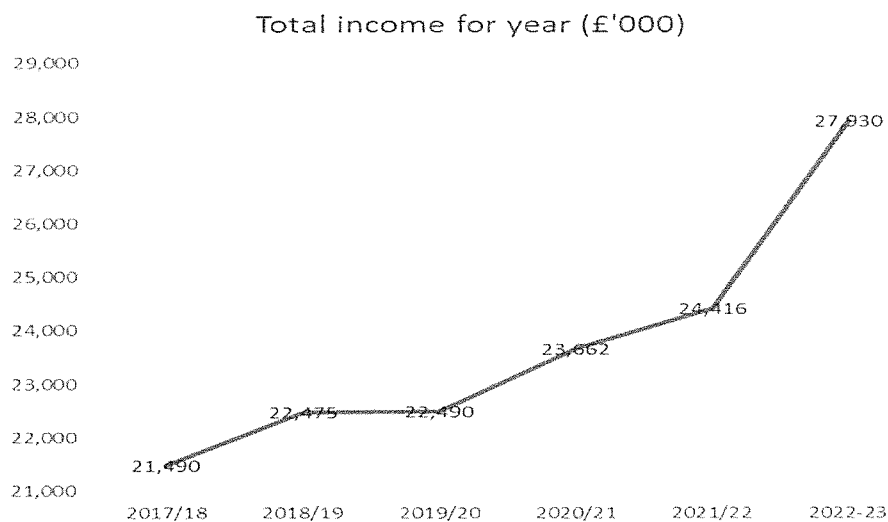
The £274k operating surplus compares to an operating surplus budget set for 2022/23 of £17k.

There are accumulated reserves of £15,200k (2021/22 reserves of £10,464k) and cash balances of £4,357k (2021/22 £2,699k). The increase in reserves largely reflects the movement in the accounting valuation in respect of the Local Government Pension Scheme due to significant increases in the discount rates.

Total income for the year

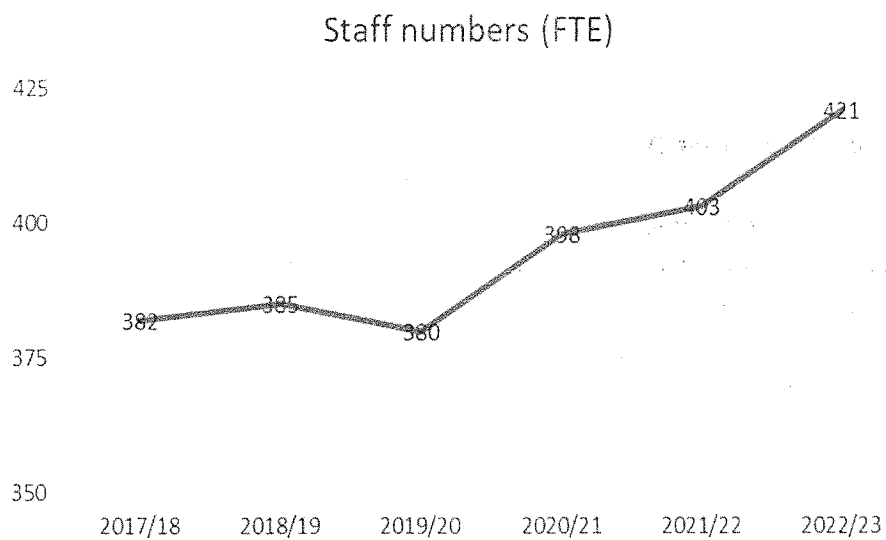
Income increased by 14.4% in 2022/23 to £27,930k compared to 2021/22 of £24,416k. This is primarily due to additional income for 16-18 students due to the opening of the Green Construction Skills Centre in Abingdon, apprentices due to the growth of provision at our Bicester training facility, and high needs students.

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

**Staff costs as percentage of income**

Staff costs (excluding LGPS pension provision) are 63% of overall income (2021/22 65%).

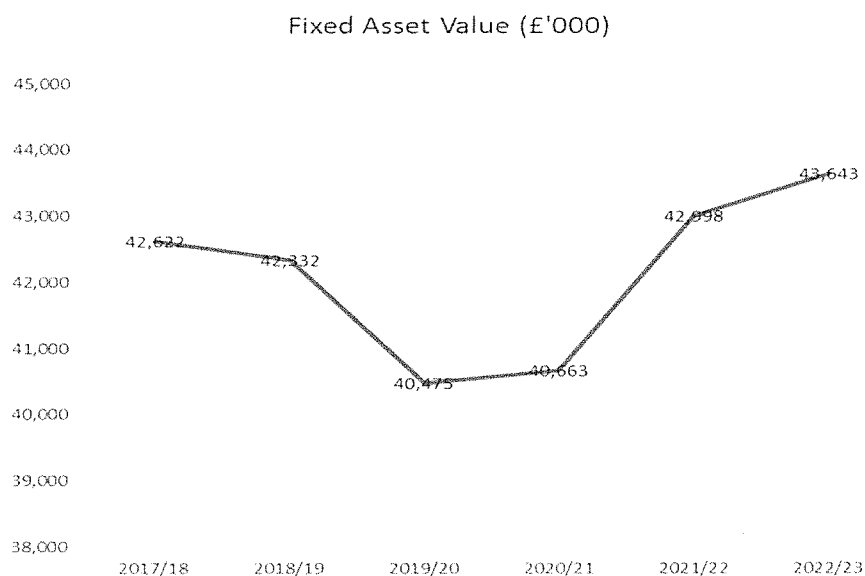
Average Full Time Equivalent staff numbers increased by 4.5% from 403 in 2021/22 to 421 in 2022/23.



STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Fixed assets at year-end

The net book value of fixed assets is £43,643k, a net increase of £645k since the end of July 2022. This includes additions of £3,006k, which relate mainly to the refurbishment of Buttercross Building's roof and preparing facilities for T Levels.

**Treasury policies and objectives**

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

The College has a separate treasury management policy in place. This was last approved in July 2023 and is reviewed every 3 years.

Until the move into public ownership on 29 November 2022, short-term borrowing for temporary revenue purposes was authorised by the Principal as the Accounting Officer. Such arrangements were restricted by limits in the College's Financial Memorandum agreed with the ESFA. All other borrowing required the authorisation of the Corporation and complied with the requirements of the Financial Memorandum. From 29 November 2022 the Corporation must obtain the Department for Education's (DfE) approval for any borrowings.

Cash and borrowings

The overall cash inflow in 2022/23 was £1,658k (2021/22 £593k outflow). The College had three loans outstanding at the year-end:

- £100k (2021/22- £133k) was for the redevelopment of the Common Leys campus. This is repayable by quarterly instalments until 2027. An equal sum is held in a deposit account as security;
- £3,471k (2021/22- £3,733k) was for Phase 1 of the Witney campus redevelopment. This is repayable by quarterly instalments until 2036; and

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

- £919k (2021/22 – £994k) was for Phase 2 of the Witney development and Phase 3 of the Abingdon development. 43.75% of the original £1,500k loan is repayable by July 2024 by quarterly instalments. The remaining outstanding loan is to be either repaid or re-negotiated.

The size of the College's total borrowing and its approach to interest rate management have been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was exceeded.

All bank covenants have been met for the year ended 31 July 2023. The College will approach the DfE in 2024 for assistance in refinancing the £919k loan.

Reserves

The College recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities, and accordingly we have developed a Reserves Policy. As at the balance sheet date, the Income and Expenditure reserve stands at £15,200k (2022 £10,464k). Excepting pension provisions, the College has reserves of £15,641k (2022 £15,437k). It is the Corporation's intention, wherever possible, to increase reserves over the life of the strategic plan through the generation of annual operating surpluses To enable investment in accordance with the strategic plan.

Payment performance

It is the College's policy to pay creditors within 30 days of the invoice date provided that the College is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The College does not follow any code or standard on payment practice nor is it the College's policy to agree terms of payment in advance with suppliers. The College incurred no interest charges in respect of late payment for this period.

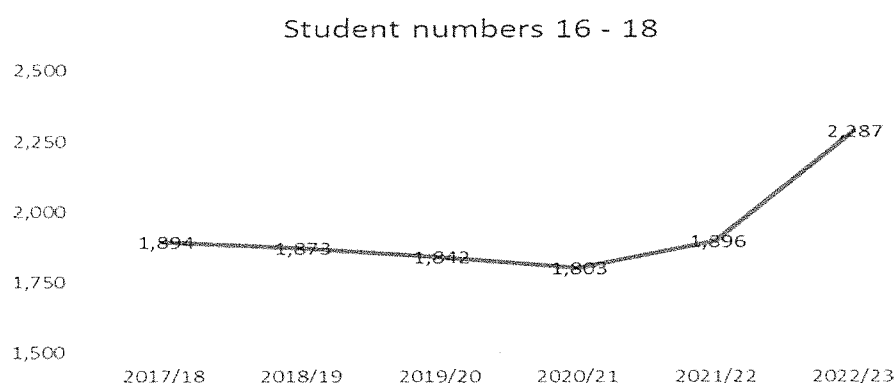
CURRENT AND FUTURE DEVELOPMENT AND STUDENT PERFORMANCE

Key Performance Indicator	Actual for 2022/23	Target for 2023/24
Student number targets (16 – 18)	2,287	2,352
Student achievement/progression	85%	86%
EBITDA as % of income	5.70%	4.50%
Ofsted rating	Good	Good

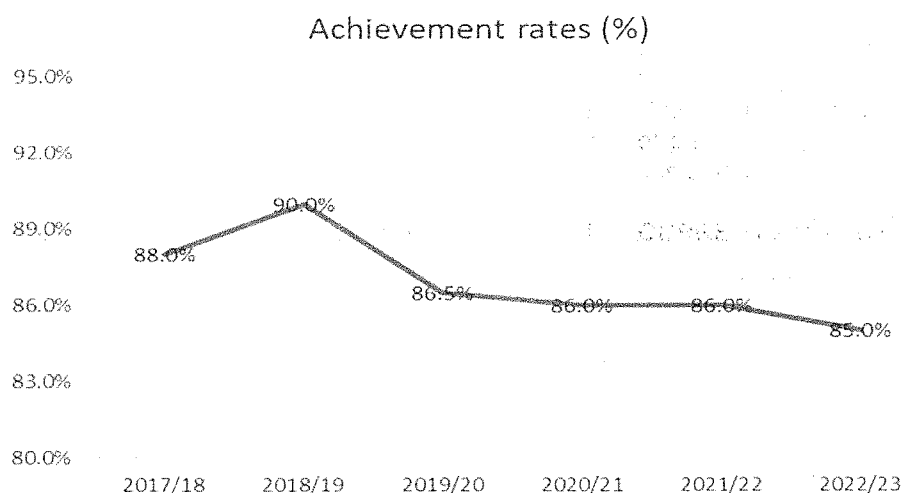
Student numbers

The graph below shows total 16–18-year-old students over the last six years (including those funded by ESFA for Apprenticeships):

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**Student achievement**

Achievement rates declined by 0.9pp overall. For 16–18-year-olds, they declined by 4.6% from 88.2% in 2021/22 to 83.6% in 2022/23. For 19+, they rose from 83.2% in 2021/22 to 86.6% in 2022/23. This appears to be against a background of decline across the whole sector, impacted both by the cost-of-living crisis and by the continuing impact of mental health issues for students exacerbated by the ongoing effects of the pandemic.

**Curriculum developments**

Following the disappointing Health T Level first year results in 2021-22, the Health and Social Care team successfully transferred the first year into the NCFE/Cache Health and Social Care course. This resulted in an achievement rate of 88%.

The new Green Construction Centre welcomed its first learners on the Abingdon campus. This saw 96 students enrolled against a target of 51.

The College's offer of T Level qualifications continued to develop with the introduction of Design and Development for Engineering and Manufacturing which recruited 23 learners against a target of 20.

During 2022/23, the College developed a Net Zero Skills Hub with a formal launch planned for early 2023/24. Designed and delivered in partnership with employers and stakeholders working in the net zero industry, the initial course offer will include domestic retrofit training qualifications, BPEC accredited heat pump qualifications and a suite of CPD training opportunities for existing professionals on topics such as climate and carbon

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literacy, airtightness principles and building fabric. The College agreed a training partnership agreement with The Retrofit Academy to be the provider of their courses across Oxfordshire and Buckinghamshire.

Through work with the Thames Valley Chamber of Commerce and Further Education providers across Oxfordshire, the College contributed positively to the production of the Local Skills Improvement Plan and has been closely involved in the development of projects funded under the Local Skills Improvement Fund which are expected to be approved early in 2023/24. These projects closely reflect the skills shortage areas identified in the LSIP and therefore respond directly to the needs of local and regional employers.

Property developments

During the year, the College refurbished the roof and the first floor on the Buttercross Building in Witney.

Post-balance sheet events

There are no events to report.

Future developments

The Local Skills Improvement Fund is expected to be approved in October 2023. Work was undertaken during 2022/23 to develop proposals relevant to this fund and, subject to approval, the College will be building three new electrical installation workshops to respond to the clear shortage of electrical installation apprenticeship training in Oxfordshire. The College will be continuing to grow and further establish a short course offer in green/sustainable skills, including a new range of BPEC accredited qualifications in renewable technologies. A detailed review of the College offer for Computing and Digital is also planned to be funded under the LSIF project.

The College is participating in an OxLEP bid to offer Skills Bootcamps across a range of provisions including sustainability, engineering and a range of digital specialisms.

Ongoing work to review the College's Higher Education and STEM provision will continue during 2023/24 with the intention of redeveloping the curriculum to more closely match the needs of local employers and Oxfordshire residents who want to develop these skills that are in high demand. This will include an enhanced professional offer through the new HTQ qualifications as these are approved over the next three years.

Together, these developments will ensure that the College is continuing to develop its provision with the Level 4 and Level 5 space in order to upskill and provide technical education at a higher level.

Given the changes in funding for adult learning, the College will additionally be developing both its community learning and regulated provision to maintain a universal offer. This will contribute to the overall enhancement of the 19+ offer to meet the lifelong learning needs of our community.

Given the success of the College's current T Level offer, the College intends to further develop its T Level offer to include Media Broadcast and Production, Agriculture, Land Management and Production, and Design, Surveying and Planning for Construction from September 2024/25.

Budgets and financial plans have been prepared on a prudent basis to take account of the impact of inflation and show that the College will remain solvent for the foreseeable future.

Resources

The College has significant resources which can be deployed in pursuit of its strategic objectives. The College offers provisions across Oxfordshire. It owns three sites in Abingdon, Witney and Common Leys and leases one site in Bicester. The site in Kidlington was closed in October 2022.

Financial

Excluding pension reserves, the College has £15,641k (2022 £15,437k) of net assets. Its resilience in coping with the challenges of the current year is reflected in a cash balance of £4,357k (2022 £2,699k).

After making the appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going

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concern basis in preparing the financial statements.

People

During the 2022/23 year, the College employed an average of 421 (Full Time Equivalent 2021/22 403) people, of which 158 (2021/22 160) were teaching department staff. Workforce composition data shows that 70% of these staff members were female and 30% male (2021/22: 71% female and 29% male).

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the return for College employees granted time off for their trade union duties is detailed below:

Relevant union officials (1 April 2022 to 31 March 2023)

Table 1 – Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
3	2.8

Table 2 – Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent on a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

<i>Percentage of time</i>	<i>Number of employees</i>
0%	0
1-50%	3
51-99%	0
100%	0

Table 3 – Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Total cost of facility time	£9,650.24
Total pay bill	£17,969,806.94
Percentage of total pay bill spent on facility time, calculated as (total cost of facility time / total pay bill) x 100	0.05%

Table 4 – Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant trade union officials during the relevant period on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	(0 / 520) x 100 = 0%
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Reputation

The College has an excellent reputation locally and nationally. In March 2017 Ofsted judged the College to be Good and rated Apprenticeships to be Outstanding because:

- Apprentices make significant and sustained progress from their starting points, and the vast majority of apprentices achieve their qualifications.
- Managers maintain strong partnerships with local and regional employers and ensure that courses meet

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

local needs.

- Learners benefit from a wide range of enrichment activities and additional qualifications that develop the skills they need to progress to their next steps.
- Managers oversee a highly effective teaching, learning and assessment strategy, which leads to sustained improvements in learning and learners' progress.
- Teachers receive excellent support to improve the quality of teaching, learning and assessment.
- Learners develop good, industry-standard skills, attitudes and knowledge; they are taught by highly qualified teachers with up-to-date industry experience.
- Managers ensure that learners with high needs follow highly individualised learning programmes that meet their needs and develop their independence.

Maintaining a quality brand is essential for the College's success in attracting students and building external relationships. The marketing team use a variety of marketing media to promote the College. A refresh of the College website took place during 2022/23, alongside a review of all social media channels. A new strategy to working with social media includes setting up a TikTok channel to more effectively engage with our younger student target market. A Curriculum Manager in our Access to Learning Faculty was awarded the Mayor's Certificate of Recognition of Outstanding Service to Education during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The risk register identifies the key objectives for the College and the risks inherent in achieving those objectives. The risk register is reviewed by Senior Management each month and high-level risks are presented for discussion on a termly basis by the Audit Committee and the Corporation Board. Three measures are identified for each risk: the likelihood of the risk occurring, the potential impact on the finances of the College and the potential impact on the reputation of the College. The gross score of each risk to the College is considered to be the likelihood multiplied by the sum of the two impact scores.

Mitigating and control actions are identified in order to minimise the impact of each risk and a net score is calculated which takes into account the expected effect of these actions. Risks are graded as High, Medium or Low priority and further measures are identified for any risks categorised as High priority. The objectives identified in the current risk register are in line with the ones which underpin the College strategy.

The College has identified the following current high-level risks and associated controls and mitigating actions:

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Significant Risk	Mitigations being taken
The quality of education falls which damages the College's reputation and in time leads to reduced income through lower enrolments	Measure progress against college annual improvement plan on six-monthly basis. Cross-College quality cycles in place, overseen by Quality Manager, managed by faculty managers, monitored by SMT.
Enrolments fall because the courses under development do not meet student and employer need	Continual review of local and national skills agenda and government policy. Student and employer surveys held annually. Continual review of local skills requirements.
Pay and non-pay inflation increases faster than income increases, leading to an unsustainable financial forecast	Annual budgeting process identifies tasks required to achieve at least cost neutral budget. Effective procurement of items and services. Management of College staff expectations.
College is unable to recruit and retain the right staff leading to a fall in quality of teaching and learning, and a risk to business operations.	Recruitment specialist in place. Effective support of new recruits. Annual consideration of pay award. Competitive benefits package. College culture including training opportunities and succession planning. People strategy includes challenging KPI targets around % vacancies filled within 6 weeks.
Failure to comply with Safeguarding Legislation leads to harm, financial or reputational damage, and prosecution.	There is a designated team of staff who attend OSCB official Designated Safeguarding Lead training and who work across all areas of the College to ensure that all staff can easily access trained personnel and who maintain a high level of professional knowledge through regular CPD. All staff read Keeping Children Safe in Education Part 1 annually, and SMT and Board Members read at least parts 1 & 2. All staff complete Safeguarding & Prevent training as part of their college induction, and mandatory annual updates are provided to all staff at the start of the academic year.

STAKEHOLDER RELATIONSHIPS

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

- learners
- education sector funding bodies
- FE Commissioner
- Government offices and local economic partnerships
- local authorities
- the local community
- local employers and representative bodies
- other further education institutions
- professional bodies
- staff
- trades unions
- university partners

The College recognises the importance of these relationships and engages in regular communication with them through networking meetings and through the College website.

Staff and students actively support charities, undertake voluntary work and take part in fundraising events. The College also provides opportunities for local community groups and organisations to make use of its premises,

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

land and facilities.

EQUALITY AND DIVERSITY

The College is committed to ensuring equality of opportunity for all who learn and work there. The College believes there should be no limits to achievement and, as well as celebrating the individual talents of all staff and students, it challenges discrimination. The College strives vigorously to remove barriers which place people at a disadvantage.

As well as this commitment, the College is required to ensure that staff and students should all have equal opportunity to succeed. The Equality Act 2010 focuses on nine 'Protected Characteristics': race, gender, sexuality, pregnancy and maternity, disability, age, marriage and civil partnerships, gender reassignment, and religion and belief. The College's Equality and Diversity Policy is published on the College's website with information on its objectives in this area.

College admissions data demonstrates that the proportion of college students from ethnic minority backgrounds is in line with that of the local area and that these students achieve at least as well as the wider student population.

The safeguarding protocols of the College ensure that staff and students are aware that safeguarding is the responsibility of everyone. The College has adopted a robust anti-bullying culture and safeguarding, anti-bullying and anti-radicalisation policies are reviewed annually.

The College is a champion for lesbian, gay, bisexual and transgender (LGBTQ) staff and students and has a workplace support guide for transgender employees.

Informal staff discussion groups run regularly across a number of themes, including neurodiversity, anti-racism, disability and menopause, to ensure staff feel supported and included in the college environment and to encourage open discussion of workplace issues and a high profile for support mechanisms.

GENDER PAY GAP REPORTING

Gender Pay Gap is the percentage difference in average pay between men and women. The information below has been presented in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The figures are based on employee data as at 31 March 2022. At this date, Abingdon and Witney College employed 559 staff, 393 (70.3%) of which were female and 166 (29.7%) were male.

Mean Gender Pay Gap	Median Gender Pay Gap
Male: £16.57 Female: £15.90	Male: £16.30 Female: £14.15
Female hourly pay is 4.1% lower than male	Female hourly pay is 13.2% lower than male

The above data shows that Abingdon and Witney College has a mean Gender Pay Gap of 4.1%. This is an improvement from the mean gap of 5.6% in the 2020/21 reporting period.

DISABILITY STATEMENT

The College achieves the objectives set down in the Equality Act 2010. It is committed to enabling all students to achieve their potential, whatever their ability. This commitment is reflected in the following measures taken:

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

- the College has made a significant investment in the appointment of specialists to support students with special educational needs and/or disabilities including mental health conditions. There are a number of student support assistants who can provide a variety of support for learners. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students
- a range of specialist equipment including assistive technology is available for use by students
- the admissions policy for all students is available on the website and includes an appeals process against decisions not to offer a place
- the College offers a range of specialist programmes, details of which are available in College prospectuses. Achievements and destinations of students are recorded and collated
- counselling and welfare services are available across the College, and promoted in the College's student information

The College was accredited as a Disability Confident Leader by the Department of Work and Pensions in June 2022 and has signed up to the "Time to Change" Employer pledge in relation to mental wellbeing. The College considers all employment applications from applicants with disabilities, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide opportunities commensurate with those of non-disabled employees.

SOCIAL, ENVIRONMENTAL AND ETHICAL ARRANGEMENTS

The College recognises the importance of economic, environmental and social sustainability. The new strategic plan identifies as a key activity the need for the College to grow and develop in an environmentally conscientious manner and to demonstrate civic environmental leadership. A College Sustainability Committee and Strategy has been established. The College's Estates team's responsibilities include the implementation of sustainability and carbon reduction strategies and the measurement of improvements, assisted by the Green team (which includes students and staff from across the College.)

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 College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 11 December 2023 and signed on its behalf by:



Gavin Maitland-Smith
Chair

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

Declaration of Compliance with the College's adopted Governance Code

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership)
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("The Code")
- having due regard to the principles and guidance of the UK Corporate Governance Code insofar as it is applicable to the further education sector, whilst not having adopted it

In the opinion of the Governors, the College complies with all the provisions of the Code of Good Governance for English Colleges and it has complied throughout the year ended 31 July 2023. This opinion is based on an external review of compliance with the Code/Governance Evaluation reported to the Board on 11 December 2023. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

In carrying out its responsibilities, the Corporation takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 25 March 2015. The Corporation will review and work towards the updated version of the AoC Code (September 2021) and will report against the new version in the next academic year.

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

Details of those who served as Governors on the Corporation Board

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

Board member	Date of first term appointment	Date of second term of appointment	Status of appointment	Committees served	Current term of office expires / date of resignation	% attendance
Adam Mumford	04 July 2018	03 July 2022	Independent governor	Audit, NRG	2 July 2026	100%
Alan Bark	05 July 2022		Independent governor	F&GP	4 July 2026	75%
Astrid Schloerscheidt	06 December 2022		Independent Governor	CQS	05 December 2026	50%
Ben Haxton	19 January 2023		Independent Governor	Audit	18 January 2027	75%
David Walker	03 February 2022		Independent governor	Audit	2 February 2026	100%
Edward Collett	05 July 2020		Staff governor	F&GP	4 July 2024	50%
Gavin Maitland-Smith	15 October 2015	15 October 2019	Independent governor	NRG	31 December 2023	100%
Howard Dodd	03 July 2018	03 July 2022	Independent governor	F&GP	4 July 2023	88%

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Board Member	Date of first term appointment	Date of second term appointment	Status of appointment	Committees served	Current term of office expires / date of resignation	% attendance
Jacqui Canton	01 September 2020		Ex Officio	CQS, NRG, F&GP	NA	100%
Kathryn Schutterlin	14 October 2020		Staff governor	CQS	13 October 2024	71%
Lucy Butler	06 December 2022		Independent Governor	CQS	05 December 2026	0%
Makenzie Howe Nordal	04 January 2023		Independent Governor	F&GP	03 January 2027	50%
Nick Handy	07 July 2016	06 July 2020	Independent governor	F&GP, NRG	5 July 2024	100%
Nicolas Pagès	02 July 2019	01 July 2023	Independent governor	Audit	30 June 2027	100%
Jessie Weavers-Medina	24 November 2021		Student governor	CQS, F&GP, NRG	31 July 2024	67%
Sam Wolfe	22 March 2021		Independent governor	CQS	21 March 2024	57%
Vicky Field	15 October 2015	15 October 2019	Independent governor	CQS, NRG	14 October 2023	100%
Carole Kitching	11 December 2023		Independent governor	CQS	10 December 2027	N/A

Average attendance at Corporation Board meetings was 77% against a national mean average attendance rate (across 89 colleges) of 82.4%. Average attendance at both Corporation Board and Committee meetings was 82%.

Mrs L Grainger resigned as Clerk on 16 January 2023. The position of Clerk was covered by a Senior Management Team PA until Mr H Stamp joined as Clerk on 1 June 2023.

The Corporation and its Governance Framework

It is the Corporation Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources, and standards of conduct. The Corporation Board is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters, student voice and personnel-related matters such as health and safety and environmental issues. The Corporation Board meets at least once each term.

The Corporation Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation Board. These committees are:

- Finance and General Purposes,
- Nominations, Remuneration and Governance,
- Audit,
- Curriculum, Quality and Students.

Full minutes of all meetings, except those deemed to be confidential by the Corporation Board, are available on the College's website at www.abingdon-witney.ac.uk or are available from the Clerk to the Corporation Board at:

Abingdon and Witney College
Wootton Road
Abingdon
Oxon OX14 1GG

Governors also contributed to the success of the College through, for example, the Link Governor Scheme with faculties and business areas, and through participation in student enterprise events. This scheme has been considerably reviewed and updated in readiness for the new academic year.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address. A full review of the register of interests was undertaken in 2022 and new information was included on Connected persons, politically exposed persons (PEPs), and related party transactions.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole. Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided to governors periodically.

The Corporation Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation Board considers that, other than staff and student governors, each of its members is independent of management and are free from any business or other relationship which could materially interfere with the exercise of their judgement. Conflicts of interest are declared when a Governor joins the College, reviewed annually and managed as a routine element of all meetings.

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

Appointments to the Corporation

Any new appointments to the Corporation Board are a matter for the consideration of the Corporation Board as a whole. The Corporation Board has a search committee (part of the Nominations Remuneration and Governance Committee "NRG") consisting of three independent members of the Corporation Board which is responsible for the selection and nomination of any new member for the Corporation Board's consideration. The NRG Committee Annual Report 2022-23 was received by the Corporation Board in October 2023. The Corporation Board is responsible for ensuring that appropriate training is provided as required.

Independent members of the Corporation Board are appointed for a term of office not exceeding four years and may be re-appointed for a further period of four years in accordance with a recommendation in the AoC Code. All members are required to reapply at the expiration of their first term which is subsequently approved by the Corporation Board. All appointments and reappointments are based on merit and take into account the required Governor skillset.

Training for Governors and Governance Professionals

Governors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. New Governors undergo an induction and meet with all members of the Senior Management Team. Governor training on Safeguarding, Prevent and Health & Safety are up to date. Governors can receive the weekly Association of Colleges (AoC) Chief Executive's Briefing. Association of Colleges webinars were accessed by some governors. The Clerk has also provided Committee Chairs with access to the Association of Colleges Committee Chair programmes, and these have been attended.

Corporation Performance

In line with the previously agreed bi-annual schedule of full Board self-assessment and Committee self-assessment, the Corporation Board is due to undertake a self-assessment of its effectiveness during 2023, to be reviewed at the October 2023 Board meeting. The previous bi-annual governance assessment report 2020-21 was considered by the Corporation Board at its October 2021 meeting which confirmed the contention that the Corporation Board is confident, and that no shortcomings have been identified.

In line with the Skills for Jobs White Paper (January 2021), from 2022/23 the Corporation Board will conduct an annual self-assessment of governance and an external governance review (required every 3 years). The name of the external reviewer and when the review was conducted will be disclosed and the College will provide a

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

summary of the review findings and any associated action plan in either the statement of corporate governance or internal control. The External Board review has now been commissioned to take place during the November and December 2023 committee and Board cycle.

Key governance challenges for 2023-24 are ensuring that:

- quality does not suffer, that curriculum is appropriate and that the educational offer grows.
- working relationships between the Board, Principal and SMT remain effective.
- finances are robust.
- Governor recruitment takes place to compliment current skill set.
- involvement of Governors in the monitoring and review of the Strategic Plan.

Nominations, Remuneration and Governance committee

Throughout the year ended 31 July 2023, the College's Nominations, Remuneration and Governance (NRG) Committee met three times and comprised of seven members of the Corporation Board.

The members of the Committee and their attendance records are shown below:

MEMBERS	Possible	Actual	%
Adam Mumford	3	3	100%
Gavin Maitland-Smith	3	2	67%
Jacqui Canton	3	3	100%
Nick Handy	3	3	100%
Jessie Weavers-Medina	4	1	25%
Vicky Field	3	3	100%

The Committee is responsible for making recommendations to the Corporation Board on the remuneration and benefits of the Accounting Officer and the Clerk. On recommendation of the NRG Committee, the Corporation Board approved the Senior Post Holder Remuneration policy in March 2020 (scheduled for review in December 2023) which ensures that the Board complies with the requirements of the AoC Code.

The NRG Committee approved and submitted their annual report to the Corporation Board on 25 September 2023 which set out the key business areas covered in each area of Nominations, Remuneration and Governance.

Details of remuneration of the Accounting Officer for the year ended 31 July 2023 are set out in note 8 to the financial statements.

Audit committee

The Audit Committee comprised three members of the Corporation Board, (excluding the Principal as Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation Board.

The Audit Committee met three times during 2022/23 and provided a forum for reporting by the College's internal, reporting accountants and financial statements auditors who have access to the Committee for independent discussion without the presence of College management. The Committee also received and considered reports from the main FE funding bodies as they affected the College's business.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The members of the Committee and their attendance records are shown below:

MEMBERS	Possible	Actual	%
Adam Mumford	3	3	100%
David Walker	3	3	100%
Nicolas Pagès	3	3	100%
Ben Haxton	2	1	50%

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

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

The Audit Committee also advises the Corporation on the appointment of internal auditors and financial statement auditors.

Internal control

Scope of responsibility

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

In accordance with the responsibilities assigned to them in the Financial Memorandum between Abingdon and Witney College and the funding bodies, the Corporation Board has delegated the day-to-day responsibility to the Principal, as Accounting Officer. This includes maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible. The Principal is also responsible for reporting to the Corporation Board any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to mitigate risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Abingdon and Witney College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation Board has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation Board is of the view that there is a formal ongoing process for identifying, evaluating, and managing the College's significant risks that has been in place for the period ended 31 July 2023 and up to the date of approval of the annual report and accounts. The key risks faced by the College are outlined in the Strategic Report on pages 12 and 13. This process is regularly reviewed by the Audit Committee and submitted to the Corporation Board.

The risk and control framework

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

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The College uses independent internal auditors which operate in accordance with the requirements of the Education and Skills Funding Agency *Post 16 Audit Code of Practice*. The work of the internal auditors is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. Annually, the Internal Audit Service (IAS) provides the Corporation Board with a report on internal audit activity in the College. The report includes the independent opinion of the IAS on the adequacy and effectiveness of the College's system of risk management, controls, and governance processes.

Risks faced by the Corporation

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. The risk register is aligned to the strategic priorities of the College. This key document is reviewed by the Senior Management Team and Audit Committee on a regular basis and is a standing agenda item at each Corporation Board Meeting. The risk register identifies the key risks, the likelihood of those risks occurring, potential impact, and actions being taken to reduce or mitigate the risks. Risks are priorities using a consistent scoring system.

Control weaknesses identified

Each year the Internal Auditors carry out a number of audits and make recommendations for improvements. During the year to 31 July 2023, no significant control weaknesses have been identified. The independent internal auditors carried out seven reviews. In all of these reviews there were zero Urgent (level 1) recommendations, ten Important (level 2) recommendations, nine Routine (level 3) recommendations, and one Operational recommendation made. Further information is set out below:

Review	Evaluation	Recommendations			
		1 Urgent	2 Important	3 Routine	OEM Operational
Major Capital Projects	Substantial	0	1	0	0
GDPR Compliance	Reasonable	0	1	3	0
Governance – fit & proper persons	Reasonable	0	3	0	1
Strategic Risks	Reasonable	0	1	0	0
Key Financial Controls	Reasonable	0	4	1	0
Grant Verification	Substantial	0	0	1	0
Subcontracting	Reasonable	0	0	4	0
TOTAL		0	10	9	1

The Audit Committee is satisfied that the management actions taken to address the control weaknesses are sufficient.

A high-level review of Learner Number Systems was undertaken during the year, with further work planned in 2023/24, with additional work was completed by the external auditors as part of the year end audit.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Responsibilities under funding agreements

The College has met its contractual responsibilities under its funding agreement and contracts with the ESFA; any expected clawback for the current year has been provided for. The College achieves this through regular monitoring, review and correction of any errors identified in periodic checks carried out by management and staff. The College also employs external auditors to review processes, systems and controls, identifying any weaknesses and making recommendations to the College on how to improve them. The Department for Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified Further Education Colleges back into the public sector.

Regularity and propriety

The College financial, governance and risk management procedures hold due regard to the concepts of regularity and propriety, to ensure the proper use of public funds.

Statement from the Audit Committee

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

The specific areas of work undertaken by the Audit Committee in 2022/23 and up to the date of the approval of the July 2023 financial statements are:

- Approval of the annual Financial Statements
- Scrutiny of the Internal Audit report findings and Management responses and also agreement and implementation of a new process to carry out early review of Internal Audit reports.
- Proposal to the Corporation Board of an Internal Audit programme for the year in the context of a three-year cycle of Internal Audit to ensure independent examination of internal procedures and controls of key importance to the operational effectiveness of the College

Performance review of the External Auditors

- Consideration of the External Auditors' report to the Board. In particular, discussing any issues arising from the audit process and reviewing the draft with regard to governance and internal controls. The complementary responsibilities of the Finance & General Purposes Committee are to consider and recommend the financial statements, including any comments made about the process of preparing the financial statements
- Termly consideration of the College Risk Register and the mitigations and controls in place to manage risk.

Review of the following Policies:

- Anti-bribery
- Fraud prevention
- Value for money
- Data protection
- Risk management (including oversight of its implementation)
- Receiving reports from the Nominations, Remuneration and Governance Committee with regard to Senior Post Holder remuneration and the Board's governance practices.

Annual reports on:

- Value for money
- Gifts and hospitality
- Public Interest Disclosure / whistleblowing
- Use of the college seal and high value contracts
- Subcontracted Provision

Proposal to the Corporation Board of the Financial Statements audit plan for the year.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Review of effectiveness

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

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation Board carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit. Events since 31 July 2023 were taken into account at the December 2023 Corporation Board meeting.

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

Approved by order of the Corporation Board on Monday 11 December 2023 and signed on its behalf by



Gavin Maitland-Smith
Chair



Jacqui Canton
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 JULY 2023**

As Accounting Officer, I confirm that the Corporation has had due regard to the requirements of grant funding agreements and contracts with ESFA and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with 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 or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.



Jacquie Canton
Principal and Chief Executive
11 December 2023

Statement of the Chair of Governors

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



Gavin Maitland-Smith
Chair
11 December 2023

**STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2023**

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

Within the terms and conditions of the College's grant funding agreements and contracts with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice, which give a true and fair view of the state of affairs of the College and its surplus/deficit.

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

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

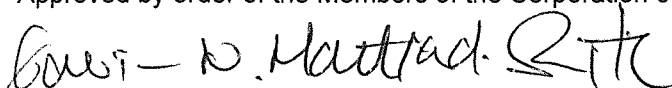
The Corporation is also required to prepare a members' report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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

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

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

Approved by order of the Members of the Corporation on 11 December 2023 and signed on its behalf by:



Gavin Maitland-Smith
Chair

**INDEPENDENT AUDITORS REPORT TO THE MEMEBRS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2023**

Opinion

We have audited the financial statements of the Corporation of Abingdon and Witney College (the 'College') the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- Give a true and fair view of the state of the College's affairs as at 31 July 2023 and College's income over expenditure for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The governors 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

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

**INDEPENDENT AUDITORS REPORT TO THE MEMEBRS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2023**

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

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects

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

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The College's grant and fee income, as disclosed in note 4 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

Responsibilities of the Governing Body

As explained more fully in the Statement of Corporation Responsibilities on page 25 the Members of the Governing Body 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 Governing Body 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 Governing Body is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: The following points should be tailored to reflect the work actually performed:

- Obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the college operates in and how the college is complying with the legal and regulatory frameworks;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;

**INDEPENDENT AUDITORS REPORT TO THE MEMEBRS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2023**

- Enquiry of College staff in finance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date:

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2023**

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

In accordance with the terms of our engagement letter dated 16 November 2023 and further to the requirements and conditions of funding in 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 Abingdon and Witney College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Abingdon and Witney College and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Code issued by 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.

**REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2023**

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

MHA

Chartered Accountants
London, United Kingdom

Date:

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2023

	Note	Total funds 2023 £000	Total funds 2022 £000
Income from:			
Funding body grants	4	25,240	21,635
Tuition fees and educational contracts	5	1,812	2,107
Other grants and contracts	6	310	16
Other income	7	568	658
Total income		<u>27,930</u>	<u>24,416</u>
Expenditure on:			
Staff costs	8	18,343	18,683
Other operating expenses	9	7,474	6,019
Depreciation	12	2,319	2,211
Interest and other finance costs	10	439	523
Total expenditure		<u>28,575</u>	<u>27,436</u>
Profit/(loss) for the year		(645)	(3,020)
Profit/(loss) on disposal of assets		(29)	(19)
Actuarial gain/(loss) in respect of pension schemes	23	5,573	20,949
Write-off asset resulting from pension scheme revaluation	16	(163)	-
Total comprehensive expenditure for the year		<u>4,736</u>	<u>17,910</u>
Represented by:			
Total funds brought forward		10,464	(7,446)
Total comprehensive expenditure for the year		4,736	17,910
Total funds carried forward		<u>15,200</u>	<u>10,464</u>

The Statement of Comprehensive Income and Expenditure includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 35 to 55 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2023

	Income and Expenditure Account £000	Total Funds £000
At 1 August 2021	(7,446)	(7,446)
Comprehensive income for the year		
Deficit from the income and expenditure account	(3,039)	(3,039)
Other comprehensive income for the year		
Actuarial gains/(losses) in respect of pension schemes	20,949	20,949
Total comprehensive income for the year	17,910	17,910
At 31 July 2022	10,464	10,464
Comprehensive income for the year		
Deficit from the income and expenditure account	(674)	(674)
Other comprehensive income for the year		
Actuarial gains/(losses) in respect of pension schemes	5,573	5,573
Write off asset resulting from pension scheme revaluation	(163)	(163)
Total comprehensive income for the year	4,736	4,736
On 31 July 2023	15,200	15,200

ABINGDON AND WITNEY COLLEGE

BALANCE SHEET AS AT 31 JULY 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	12		43,643		42,998
			<u>43,643</u>		<u>42,998</u>
Current assets					
Stocks		140		113	
Trade and other receivables	13	677		753	
Cash and cash equivalents	18	4,357		2,699	
		<u>5,174</u>		<u>3,565</u>	
Creditors: amounts falling due within one year	14	(6,400)		(4,793)	
Net current assets/(liabilities)			<u>(1,226)</u>		<u>(1,228)</u>
Total assets less current liabilities			<u>42,417</u>		<u>41,770</u>
Creditors: amounts falling due after more than one year	15	(26,776)		(26,333)	
Provisions for liabilities	16	(441)		(482)	
Net assets excluding pension liability			<u>15,200</u>		<u>14,955</u>
Defined Benefit Pension Scheme liability	16	-		(4,491)	
TOTAL NET ASSETS			<u><u>15,200</u></u>		<u><u>10,464</u></u>
Corporation reserves					
Unrestricted funds:					
Income and expenditure account		15,200		10,464	
Total unrestricted funds			<u>15,200</u>		<u>10,464</u>
TOTAL FUNDS			<u><u>15,200</u></u>		<u><u>10,464</u></u>

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



G Maitland-Smith

Chair

Date: 11 December 2023

The notes on pages 35 to 55 form part of these financial statements.

ABINGDON AND WITNEY COLLEGE**STATEMENT OF CASH FLOW AS AT 31 JULY 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	17	5,290	4,482
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		13	42
Purchase of tangible fixed assets		(3,006)	(4,607)
Net cash used in investing activities		(2,993)	(4,565)
Cash flows from financing activities			
Interest paid		(269)	(146)
Repayment of amounts borrowed		(370)	(364)
Net cash used in financing activities		(639)	(510)
Change in cash and cash equivalents in the year		1,658	(593)
Cash and cash equivalents at the beginning of the year		2,699	3,292
Cash and cash equivalents at the end of the year	18	<u>4,357</u>	<u>2,699</u>

The notes on pages 35 to 55 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022/23 and the Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102).

The Corporation 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 Corporation's accounting policies.

The financial statements are presented in sterling which is the functional currency of the Corporation and rounded to the nearest pound.

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

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

2.2 Going concern

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

The Corporation currently has £4.5m of loans outstanding with bankers on varying terms. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

Consequently, the Corporation is confident that it will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and have therefore prepared these statements on a going concern basis.

2.3 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Accounting Policies (continued)

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

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

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 Corporation is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as conditions are met.

Fee income

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

Investment income

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

2.4 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 Corporation. Any unused benefits are accrued and measured as the additional amount the Corporation expects to pay as a result of the unused entitlement.

2.5 Redundancy and termination payments

Redundancy and termination payments are recognised immediately upon becoming a constructive obligation.

2.6 Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Corporation 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.

2.7 Taxation

The Corporation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Corporation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Accounting Policies (continued)

The Corporation 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.

2.8 Tangible fixed assets and depreciation

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 accounting under the Further Education Higher Education 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

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

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost at the open market value. Building improvements made since incorporation are included in the balance sheet at cost. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 40 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 40 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy.

On adoption of FRS 102, the Corporation followed the transitional provision to revalue its land assets at fair value, but not to adopt a policy of revaluations of these assets 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 2023. Assets under construction 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 the Statement of Comprehensive Income in the period it is incurred, unless it increases the future benefits to the Corporation, in which case it is capitalised and depreciated on the relevant basis.

Plant and equipment

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Accounting Policies (continued)

Depreciation is provided on the following bases:

Major refurbishment	- 20 years
Building improvements	- 10 years
Motor vehicles	- 5 years
Computer equipment	- 3 to 5 years
Furniture, fixtures and educational equipment	- 7 years

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.

2.9 Leased assets

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

2.10 Stocks

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

2.11 Trade and other receivables

Trade and other receivables are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 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 a maturity of three months or less from the date of acquisition.

2.13 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 Corporation 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.

2.14 Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Accounting Policies (continued)

2.15 Provisions and contingent liabilities

Provisions are recognised when:

- the Corporation 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 discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period it arises.

The only provisions recognised by the Corporation in its financial statements are the defined benefit obligations, arising under the Local Government Pension Scheme, and the enhanced pension benefit obligations, arising from the Teachers' Pension Scheme

A contingent liability arises from a past event that gives the Corporation 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 Corporation. 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.

2.16 Agency arrangements

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

2.17 Financial instruments

The Corporation only holds basic financial instruments. The financial assets and financial liabilities of the Corporation are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals, other creditors and bank loans will be classified as financial instruments and are measured at amortised cost as detailed in Notes 14 and 15. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.18 Finance leases and hire purchase

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Accounting Policies (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.

2.19 Pensions

The Corporation's employees belong to two post-employment benefit plans: the Teachers' Pension Scheme England and Wales ("TPS") for academic and related staff, and the Local Government Pension Scheme ("LGPS") for non-teaching staff. Both are multi-employer defined-benefit plans.

Teachers' Pension Scheme

The TPS is an unfunded scheme; contributions from those currently contributing into the scheme pay the pensions of those currently retired. Employer contribution rates to the TPS are calculated to spread the cost of pensions over employees' working lives with the Corporation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contribution rates are determined by qualified actuaries on the basis of actuarial valuations using a prospective benefit method.

The TPS is a multi-employer scheme. Thus, the Corporation is unable to identify its share of the underlying assets and liabilities. Therefore, in accordance with the exemption in FRS 102, the Corporation accounts for the TPS as if it were a defined contribution scheme. The Corporation's contributions, which are in accordance with the Government Actuary, are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Local Government Pension Scheme

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each 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 other recognised gains and losses.

At the year end, the initial actuarial report from the Scheme Actuary reported a net pension asset of £172k. When the Scheme gives rise to a potential asset position, the Governors are required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being "An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan." In using the word "shall", the emphasis is placed upon the College to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the College has considered the value at which they can benefit from either (1) refunds from the plan or (2) reduced contributions. As the College intends to continue to participate in the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Accounting Policies (continued)

LGPS, the likelihood of a refund being due from the Scheme has been deemed as remote and not practically achievable. Secondly, the College has undertaken an exercise to assess the Minimum Fund Contributions (MFR) due to the Scheme in order to calculate the net present value of the asset which will be the value of a perpetuity of the future service cost minus the present value of the employer contributions. The outcome of this calculation has shown that the College is unlikely to gain economic benefit from a reduction in future contributions.

Accordingly, the college has made an impairment charge on the asset reducing the net position at the year ended 31 July 2023 to £Nil. Therefore, no defined benefit pension asset has been included in the financial statements.

2.20 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Corporation and which have not been designated for other purposes.

3. Critical accounting estimates and areas of judgement

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

In preparing these financial statements, the Corporation Board has made the following accounting estimates and judgements:

- **Impairment of tangible assets**

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

- **Tangible fixed assets**

Tangible fixed assets 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 several 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.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on several 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 a discount rate. Any changes in these assumptions, which are disclosed in Note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed as at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The net pension asset of £172k has been impaired to £0 as explained in note 2.19.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

4. Funding body grants

	2023 £000s	2022 £000s
Recurrent grants		
Education and Skills Funding Agency - Adult Education budget	4,331	4,529
Education and Skills Funding Agency - 16-18 students	12,111	10,638
Education and Skills Funding Agency – Apprenticeship funding	2,572	2,038
Specific grants		
Education and Skills Funding Agency - Capacity and Delivery	112	97
Education and Skills Funding Agency – Teachers' Pension Scheme	460	389
Government Capital Grants	1,337	1,410
Funding from Local Authorities	4,306	2,534
Office for Students	11	-
	<u>25,240</u>	<u>21,635</u>

5. Tuition fees and education contracts

	2023 £000s	2022 £000s
Adult Education Fees	935	1,041
Apprenticeship Fees and contracts	31	21
Education contracts	846	1,045
	<u>1,812</u>	<u>2,107</u>

6. Other grants and contracts

	2023 £000	2022 £000
Other grant income	310	-
Coronavirus Job Retention Scheme grant	-	16
	<u>310</u>	<u>16</u>

Under the Government's Coronavirus Job Retention Scheme, the Corporation furloughed various staff throughout the College who were engaged with income streams that were impacted by the pandemic (for example, catering, caretaking, business development staff). The funding that was received of £16k related to those staff costs which are included within the staff costs set out in Note 8.

All other grants and contracts in the prior year were allocated to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

7. Other income

	2023 £000	2022 £000
Catering income	259	225
Other income generating activities	282	433
Interest received	27	-
	<u>568</u>	<u>658</u>

8. Staff costs

	2023 £000	2022 £000
Wages and salaries	13,570	12,336
Employer's National Insurance	1,216	1,083
Employer's pension cost	2,747	2,431
	<u>17,533</u>	<u>15,850</u>
Contracted out staffing services	17	54
Restructuring costs - Contractual	35	21
Restructuring costs - Non-contractual	9	6
Local Government Pension Scheme FRS102 adjustment – see Note 23	749	2,752
	<u>18,343</u>	<u>18,683</u>

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

The Corporation paid severance payments to seven staff in the year in the band £0 - £25,000. Included in the staff restructuring costs above are two special severance payments totalling £26,472 (2021/22: £6k). Individually the two severance payments were £7,182 and £19,290.

The Corporation operates three salary sacrifice schemes for staff wishing to purchase bicycles, electric vehicles and technology items.

The average number of persons (including Key Management Personnel) employed by the Corporation during the year was 528 (2021/22: 507) of which 181 (2021/22: 181) were teaching Staff and 347 (2021/22: 326) were non-teaching staff.

The average Full Time Equivalent number of persons (including Key Management Personnel) employed

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Staff cost (continued)

by the Corporation during the year was 421 (2021/22: 403) of which 158 (2021/22: 160) were teaching Staff and 262 (2021/22: 243) were non-teaching staff.

Three members of staff (2021/22 one member), excluding Key Management Personnel, received annual employee benefits of more than £60,000, as set out below.

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation. The Key Management Personnel are the Senior Management Team ("SMT") which comprises:

- Principal and Chief Executive Officer, who is also the Accounting Officer
- Deputy Principal and Vice Principal Student Engagement
- Vice Principal Curriculum (Young People) and Quality
- Vice Principal Curriculum (Commercial and Adults) and Innovation
- Vice Principal Funding Planning and Systems Improvement
- Finance Director

	2023 No	2022 No
The number of Key Management Personnel including the Accounting Officer was:	6	5

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

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, during the year in the following ranges was:

	2023 No	2022 No
Other staff:		
In the band £60,001 - £65,000	2	1
In the band £65,001 - £70,000	1	-
Key Management Personnel:		
In the band £65,001 - £70,000	-	1
In the band £70,001 - £75,000	1	2
In the band £75,001 - £80,000	2	-
In the band £80,001 - £85,000	-	1
In the band £85,001 - £90,000	1	-
In the band £90,001 - £95,000	1	-
In the band £135,001 - £140,000	-	1
In the band £140,001 - £145,000	1	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Staff Costs (continued)

	2023	2022
	£000	£000
Total Key Management Personnel remuneration is made up as follows:		
Salary	549	433
Employer's National Insurance	69	55
Employer's pension contributions	115	88
	<u>733</u>	<u>576</u>

The above compensation includes amounts payable to the Principal, who is also the Accounting Officer and also the highest paid member of the Corporation's staff. The Principal's pay and remuneration was as follows:

	2023	2022
	£000	£000
Salary	140	136
Employer's National Insurance	19	18
Benefits in kind	-	-
Employer's pension contributions	29	27
	<u>188</u>	<u>181</u>

The Nominations, Remuneration and Governance (NRG) Committee adopted guidance provided by Association of Colleges' Senior Post Holder Remuneration Code July 2019 ("The Code") and assesses the remuneration of the Principal in line with its principles, using the Association of Colleges' Senior Pay Survey as its comparator. The remuneration of the Principal is subject to annual review by the NRG Committee. And from the date of reclassification also the DFE senior pay guidance. It is internally benchmarked against other FE Colleges of similar size and complexity in the locality and reviewed in the context of the targets set by the NRG Committee for all Key Personnel roles.

	2023	2022
Relationship of Principal's pay and remuneration expressed as a multiple:		
- of the median basic salary of all staff	4.7	3.7
- of the median total remuneration of all staff	4.7	4.4

The calculations only include employees of the Corporation and exclude contractors and agency staff.

	2023	2022
Compensation for loss of office paid to former Key Management Personnel:		
Compensation paid to former post-holder	£13,969	-
Estimated value of other benefits including pension benefits	£5,321	-

The compensation paid to Key Management Personnel was approved by the NRG Committee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

9. Other operating expenses

	2023 £000	2022 £000
Teaching costs	4,154	2,949
Non-teaching costs	1,891	1,606
Premises costs	1,429	1,464
	<u>7,474</u>	<u>6,019</u>

	2023 £000	2022 £000
Other operating expenses include:		
Auditor's remuneration:		
- Audit of the financial statements	25	25
- Other services	10	3
Internal audit fees	20	22
Hire of assets under operating leases	234	163

10. Interest and other finance costs

	2023 £000	2022 £000
On bank loans and overdrafts	265	133
On finance leases	4	4
Net interest on LGPS pension assets and obligations, as set out in Note 23	170	386
	<u>439</u>	<u>523</u>

11. Taxation

The Governors do not consider that the Corporation is liable for any corporation tax arising out of its activities during either year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

12. Tangible fixed assets

	Freehold land and buildings £000	Long-term leasehold land and buildings £000	Equipment £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 August 2022	55,993	1,045	6,591	3,062	66,691
Additions	1,541	12	757	696	3,006
Transfer of completed assets	3,758			(3,758)	-
Disposals	-	-	(62)	-	(62)
At 31 July 2023	61,292	1,057	7,286	-	69,635
Depreciation					
At 1 August 2022	17,481	104	6,108	-	23,693
Charge for the year	1,749	85	485	-	2,319
On disposals	-	-	(20)	-	(20)
At 31 July 2023	19,230	189	6,573	-	25,992
Net book value					
At 31 July 2023	<u>42,062</u>	<u>868</u>	<u>713</u>	<u>-</u>	<u>43,643</u>
At 31 July 2022	<u>38,512</u>	<u>941</u>	<u>483</u>	<u>3,062</u>	<u>42,998</u>

The transfer of assets under construction to freehold land and buildings relates to the completion of the Green Construction Skills Centre.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

13. Trade and other receivables

	2023 £000	2022 £000
Due within one year		
Trade receivables	103	173
Other debtors	100	110
Prepayments and accrued income	302	317
Amounts owed by the ESFA	172	153
	<u>677</u>	<u>753</u>

Total bad debts written off in the year were £8k. There were no bad debts written-off above the HM Treasury Managing Public Money threshold of £5,000.

14. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Bank loans and overdrafts	1,204	360
Obligations under finance leases	63	72
Trade creditors	957	1,024
Other taxation and social security	319	249
Accruals and deferred income	2,131	1,427
Deferred income - Government Capital Grants	1,450	1,400
Amounts owed to the ESFA	172	96
Oxfordshire Adult Learning liability	100	50
Other creditors	4	115
	<u>6,400</u>	<u>4,793</u>

Oxfordshire Adult Learning relates to transitional funding received from Oxfordshire County Council following the transfer of the service on 1 June 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

15. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Bank loans	3,286	4,500
Oxfordshire Adult Learning	-	50
Deferred income - Government Capital Grants	23,490	21,783
	<u>26,776</u>	<u>26,333</u>

Oxfordshire Adult Learning relates to transitional funding received from Oxfordshire County Council following the transfer of the service on 1 June 2015.

Included within the above notes 14 and 15 are amounts falling due as follows:

	2023 £000	2022 £000
Between one and two years		
Bank loans	1,204	360
Between two and five years		
Bank loans	3,286	1,080
Over five years		
Bank loans	0	3,060

Bank loans totalling £4,490k at interest rates of between Bank of England Base Rate plus 0.55% to 2.25% have varying terms regarding repayment. The above ageing assumes the loans are fully repaid when their break clauses fall due. They are secured on a portion of the freehold land and buildings of the Corporation.

16. Provisions

	Defined Benefit Pension Scheme £000	Enhanced Pensions £000	Total funds £000
As at 1 August 2022	4,491	482	4,973
Benefits paid	(1,451)	(47)	(1,498)
Interest costs	170	16	186
Service costs	2,200	-	2,200
Actuarial gains /(losses)	(5,573)	(10)	(5,583)
Unfunded obligation charge	(9)		(9)
Impairment of asset resulting from pension scheme revaluation	172	-	172
As at 31 July 2023	<u>-</u>	<u>441</u>	<u>441</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Provisions (Continued)

The Defined Benefit Pension Scheme provision relates to the Corporation's liability under the membership of the Local Government Pension Scheme. The asset that resulted from the full actuarial valuation of the scheme updated as at 31 July 2023 has been written- off in accordance with appropriate accounting principles. Further details are given in Note 23.

The Enhanced Pensions provision relates to 18 staff who have left the Corporation's employ and the associated pension and reorganisation cost commitments from which the Corporation cannot reasonably withdraw. This provision has been recalculated in accordance with guidance issued by Association of Colleges.

The principal assumptions are:

	2023	2022
Long term Interest rate	5.0%	3.3%
Long term Inflation rate (Consumer Price Index)	2.8%	2.9%

17. Reconciliation of net movement in funds to net cash flow from operating activities

	Note	2023 £000	2022 £000
Net expenditure for the year		(645)	(3,020)
Adjustments for:			
Depreciation charges	12	2,319	2,211
Interest payable	10	269	146
(Increase) / decrease in stock		(27)	(32)
(Increase) / decrease in debtors	13	76	(161)
Increase in creditors due within one year		763	241
Increase in creditors due after one year		1,657	2,003
Decrease in other provisions		-	(89)
Loss on sale of assets		29	-
Pension costs less contributions payable		839	3,129
Actuarial gains on Enhanced Pension Scheme	16	16	54
Net cash provided by operating activities		<u>5,290</u>	<u>4,482</u>

18. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand	4,357	2,699
	<u>4,357</u>	<u>2,699</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

19. Analysis of changes in net debt

	At 1 August 2022	Cash flows	Reclassif -ication	At 31 July 2023
Cash at bank and in hand as set out in Note 18	2,699	1,658		4,357
Debt due within one year, as set out in Note 14	(360)		(844)	(1,204)
Debt due after one year, as set out in Note 15	(4,500)		1,204	(3,296)
Finance leases	(72)	9		(63)
	(2,233)	1,667	360	(206)

20. Contingent liabilities

There were no contingent liabilities at the year-end.

21. Capital commitments

There were no capital commitments at the year-end (2021/22: £1,749k).

22. Operating lease commitments

As at 31 July 2023, the Corporation had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Land and buildings:		
Not later than 1 year	114	114
Later than 1 year and not later than 5 years	457	457
Later than 5 years	1,029	1,143
	1,600	1,714
Other:		
Not later than 1 year	120	173
Later than 1 year and not later than 5 years	141	261
Later than 5 years	-	-
	261	434
Total lease payments due:	1,862	2,148

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

23 Pension commitments

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

The total cost to the Corporation of pensions for the year, as set out in Note 8, was as follows:

	2023	2022
	£000	£000
Teachers' Pension Scheme:		
Employer contributions paid	1,296	1,228
Enhanced pension charge to the Statement of Comprehensive Income	-	9
Local Government Pension Scheme		
Employer contributions paid	1,451	1,205
Enhanced pension charge to the Statement of Comprehensive Income	749	2,752
	3,496	5,194

Teachers' Pension Scheme

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

The TPS is an unfunded scheme: contributions from those currently contributing into the scheme pay the pensions of those currently retired. These contributions, along with those made by employers, are credited to the Government under arrangements governed by the above regulations. Retirement and other pension benefits are paid from public funds provided by the Government.

The TPS is a multi-employer scheme. Thus, the Corporation is unable to identify the share of its underlying assets and liabilities. Therefore, in accordance with the exemption in FRS 102, the Corporation accounts for the TPS as if it were a defined contribution scheme. The Corporation's contributions, which are in accordance with the Government Actuary, are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. The valuations credit the TPS 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 and valuation of the TPS was carried with an effective date as at 31 March 2016. The valuation report was published by the Department for Education ("DfE") in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future pension benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% previously). The DfE agreed to pay the Corporation a TPS Employee Contribution Grant to cover the additional costs during the 2020/21 to 2023/24 academic years, and the Board believe this will continue for 2024/25.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Pension commitments (continued)

A full copy of the March 2016 valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. An updated actuarial review and valuation of the TPS as at 31 March 2020 is due to be published by the end of 2023.

The Corporation paid employer pension contributions to the TPS in the year amounting to £1,296 (2021/22: £1,228k) and, as at the year-end, £137k (2021/22: £127k) was accrued in respect of contributions to this scheme.

Local Government Pension Scheme

The LGPS is a government funded defined-benefit plan with separate funds, administered by Oxfordshire County Council, for the members of the Corporation. The following information is based on a full actual actuarial valuation of the fund as at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary.

Movements in the present value of the Corporation's defined benefit obligation were as follows:

	£000
Opening defined benefit obligations as at 1 August 2022	(36,732)
Contributions by scheme participants	(456)
Benefits paid	844
Net interest cost	(1,316)
Changes in financial assumptions	7,234
Current service cost	(2,200)
Closing defined benefit obligations as at 31 July 2023	<u>(32,626)</u>

Movements in the fair value of the Corporation's share of the scheme's assets were as follows:

Opening value of scheme assets as at 1 August 2022	32,250
Interest income	1,146
Contributions by employer	1,451
Contributions by scheme participants	456
Benefits paid	(844)
Expected return on assets	(1,661)
Closing value of scheme assets as at 31 July 2023	<u>32,798</u>

As at 31 July 2023, the estimated categorisation of the Corporation's share of the scheme's assets was:

	At 31 July 2023 £000	At 31 July 2022 £000
Equities	23,615	23,543
Corporate bonds	5,248	5,483
Property	3,280	2,902
Cash and other liquid assets	655	322
Total value of scheme assets	<u>32,798</u>	<u>32,250</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Pension Commitments (continued)

As at 31 July 2023, the outstanding position of the defined benefit obligation was as follows:

	£000
Fair value of the Corporation's share of the scheme's assets	32,798
Present value of the Corporation's defined benefit obligations	(32,626)
Less impairment charge	(172)
	<u><u>-</u></u>

The amounts recognised in the Statement of Comprehensive Income are:

	2023	2022
	£000	£000
Amounts included in staff costs		
Current service costs, as set out in Note 8 and 16	<u>2,200</u>	<u>3,957</u>
	2,200	3,957
Amounts recognised in other comprehensive income		
Net interest on LGPS pension assets and obligations, as set out in Note 16	(170)	(40)
Changes in assumptions underlying the present value of plan liabilities, as set out in Note 16	5,573	20,935
Impairment of asset resulting from pension scheme revaluation, as set out in Note 16	172	-
Unfunded obligation charge	<u>(9)</u>	<u>-</u>
	<u>7,766</u>	<u>20,895</u>

The Corporation paid pension contributions to the LGPS in the year amounting to £1,907k (2021/22: £1,589k) of which employer's contributions totalled £1,451k and employees' contributions totalled £456k. As at the year-end, £171k (2021/22: £139k) was accrued in respect of contributions to this scheme.

The agreed contribution rates for future years are 20% in 2023/24 for employers and ranging from 5.5% to 12.5% for employees, depending on the salary level.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

24. Related party transactions

Owing to the nature of the Corporation's operations and the composition of the Corporation Board 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 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.

The Principal is a board member of the Oxfordshire Local Enterprise Partnership (OxLEP). During 2022/23, the College received payments totalling £nil (2021/2022: £2,680,000) from OxLEP in relation to pre-approved capital projects.

The Principal is also a member, and the former Deputy Principal and Trustee, of Abingdon Learning Trust. The College supplied services to the Trust totalling £834 (2021/22: £18,887).

Professor S Wellington, who retired as a governor on 11 October 2022, is Deputy Vice Chancellor and Provost at Middlesex University, to whom the College paid £nil (2021/2022: £10,000) on normal commercial terms for services rendered during the year.

Ms V Field is a trustee of The Mills Art Centre. The College made payments totalling £19,460 during the year (2021/22: £15,990).

The total expenses paid to or on behalf of the Governors during the year was £0 (2021/22: £0;).

No Governor has received any remuneration or waived payments from the Corporation during the year 2021/22: £0).

25. Learner support funds - Amounts disbursed as agent

	2023 £000	2022 £000
Grants received:		
ESFA – 16- 18 Bursary grants	102	78
ESFA – Advanced Learner Loans Bursary	33	52
	<hr/>	<hr/>
	135	130
Disbursed to students	(137)	(148)
Administration costs	-	(2)
Unspent funds from previous year	62	82
	<hr/>	<hr/>
Balance unspent/(overspent) as at 31 July	60	62

Funding body grants of Learner support funds are available solely for the use of 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.

26. Events after the reporting period

There are no events after the reporting period which require disclosure.