

ABINGDON AND WITNEY COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

ABINGDON AND WITNEY COLLEGE

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ABINGDON AND WITNEY COLLEGE

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CORPORATION, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2022**

Governors	G Maitland-Smith J Canton H Dodd V Field N J Handy A Mumford N Pages K Schutterlin Dr S Wolfe R Weavers E Collett A Bark D Walker
Registered office	Abingdon and Witney College Wootton Road Abingdon Oxfordshire, United Kingdom OX14 1GG
Clerk	J Lowe (resigned 03/08/21) L Grainger (appointed 01/03/22)
Senior Management Team	J Canton, Principal and Chief Executive J Craig, Deputy Principal (resigned 23/06/22) J Milsom, Vice Principal, Student Engagement, Deputy Principal (appointed 22/08/22) O Cognard, Vice Principal, Funding Planning and Systems Improvement J Price, Vice Principal, Curriculum and Quality (appointed 01/08/22) M Lay, Finance Director S Kibble, Vice Principal, Commercial and Adult Provision (appointed 15/08/22)
Independent auditors	MHA MacIntyre Hudson Chartered Accountants 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Barclays Bank PLC 11 West Way Oxford OX2 0JB

ABINGDON AND WITNEY COLLEGE

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CORPORATION, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Solicitors Shakespeare Martineau
 No 1 Colmore Square
 Birmingham
 B4 6AA

Internal Auditor TIAA Ltd
 Artillery House
 Fareham
 PO14 1AH

ABINGDON AND WITNEY COLLEGE

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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 2022.

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.

Mission

The updated 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

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

ABINGDON AND WITNEY COLLEGE

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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.

In setting and reviewing the College's strategic objectives, the Corporation Board has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The 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 looks 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 22 the ESFA confirmed that the rating was "Good" for financial year 2020/2021.

FINANCIAL POSITION

Financial results

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

	2022	2021
	£000s	£000s
Overall Profit / (Loss) for year	17,910	(2,826)
Add back:		
Actuarial (profit) / loss in respect of pension schemes	(20,949)	592
Pension costs relating to FRS102	3,138	2,423
Loss / (Profit) on sale of Fixed Assets	19	(125)
(nb these were classified as Assets Held for Sale in Debtors in 2019/20 accounts)		
Total Comprehensive Income for year	<u>118</u>	<u>64</u>

ABINGDON AND WITNEY COLLEGE

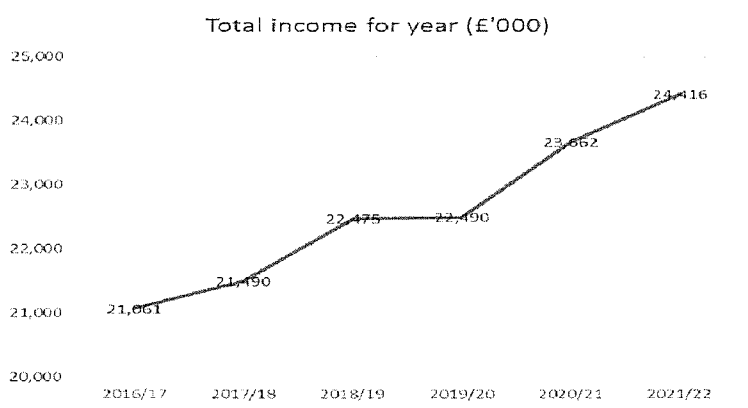
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

The £118k operating surplus compares to an operating surplus budget set for 2021/2022 of £51k.

There are accumulated reserves of £10,464k (2020/21 negative reserves of £7,446k) and cash balances of £2,699k (2020/21 £3,292k). The increase in reserves reflects the movement in the accounting valuation in respect of the Local Government Pension Scheme due to increases in the discount rates.

Total income for year

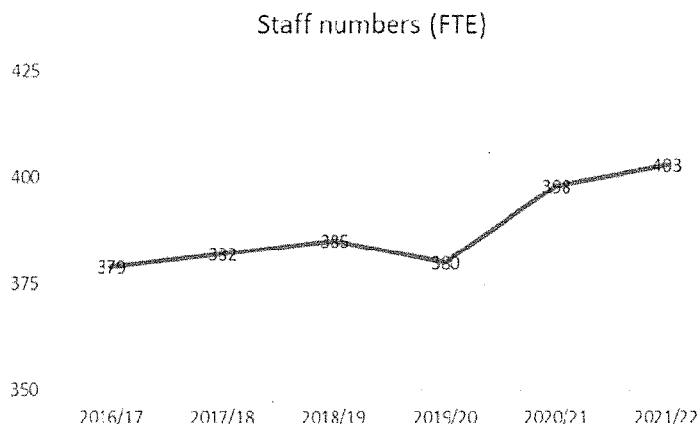
Income increased by 3.2% in 2021/22 to £24,416k compared to 2020/21 of £23,662k.



Staff costs as percentage of income

Staff costs (excluding LGPS pension provision) are 65% of overall income (2020/21 65%).

Average Full Time Equivalent staff numbers increased by 1.2% from 398 in 2020/21 to 403 in 2021/22.

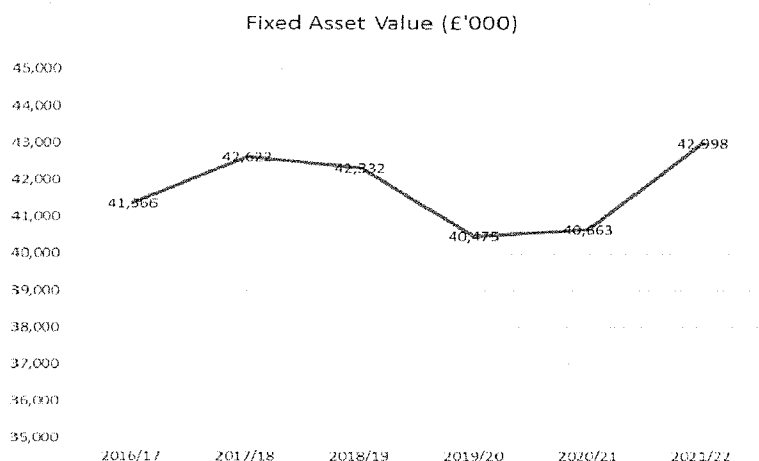


Fixed assets at year-end

The net book value of fixed assets is £42,998k, a net increase of £2,335k since the end of July 2021. This includes additions of £4,607k, which relate mainly to the building of the Green Construction Skills Centre and preparing facilities for T Levels.

ABINGDON AND WITNEY COLLEGE

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022



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 2020 and is reviewed every 3 years.

Short term borrowing for temporary revenue purposes is authorised by the Principal and Chief Executive as the Accounting Officer. Such arrangements are restricted by limits in the College's Financial Memorandum agreed with the ESFA. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash and borrowings

The overall cash outflow in 2021/22 was £593k (2020/21 £1,392k inflow).

The College had three loans outstanding at the year-end:

- £133k (2020/21- £160k) 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;
- £3,733k (2020/21- £3,995k) was for Phase 1 of the Witney campus redevelopment. This is repayable by quarterly instalments until 2036; and
- £994k (2020/21 – £1,069k) 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 comfortably exceeded.

All bank covenants have been met for the year ended 31 July 2022.

ABINGDON AND WITNEY COLLEGE

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

During the lockdowns due to COVID-19, the College continued to pay staff and suppliers within existing banking facilities. The majority of suppliers continued to provide services to the College and received payment. A few (largely facilities management companies) stopped supply as they were not trading. The College decided on a case by case basis whether to continue payments to those suppliers in line with Public Procurement Notice (PPN) 02/20 and 04/20.

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 £10,464k (2021 £7,446k deficit). Prior to pension provisions the College has reserves of £15,437k (2021 £15,382k). 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.

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 PERFORMANCE

Key performance indicators

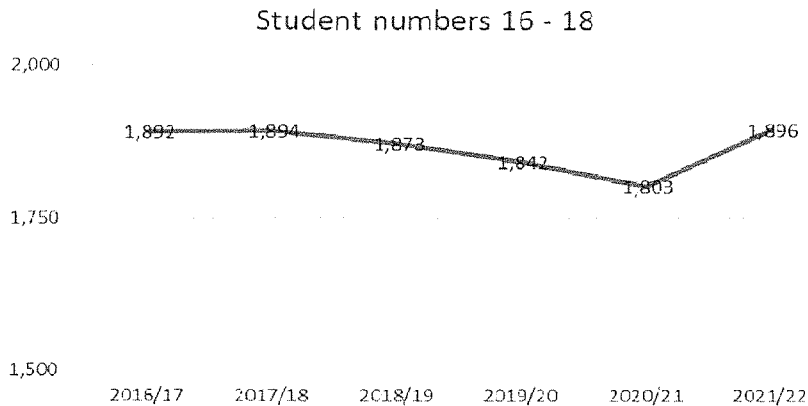
Key performance Indicator	Actual for 2021/22	Target for 2022/23
Student number targets (16 – 18)	1,896	1,900
Student achievement/progression	86%	87%
EBITDA as % of adjusted income	4.58%	4.50%
Ofsted rating	Good	Good

Student numbers

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

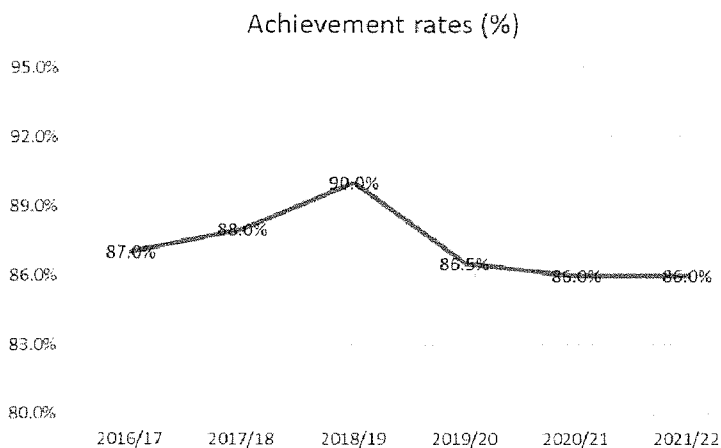
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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022



Student achievement

Achievement rates (excluding subcontracting) improved in 2021-22 by 0.7 percentage points (pp), including subcontracted provision they fell by 0.2 pp. 16-18 achievement rates increased by 2.9pp. Retention remained strong at 94%, pass rates declined by 3.0pp. 19+ achievement rates improved fell slightly to 83.1%. Retention and pass rates fell as students struggled to commit during the period of high uncertainty. Despite a period of uncertainty within the employment market, 90% of students progressed to positive, meaningful destinations.



Curriculum developments

The curriculum has been recovering from the pandemic, with teachers and learners adapting to being back to face to face delivery for the vast majority of the year. The introduction of T Levels and other synoptic based courses has increased the amount of project based and real world learning, which is a positive move. The DfE have concluded their review of qualifications which overlap with T Levels and we have a list of the qualifications no longer funded. As we have moved to T Levels, this has no material impact on the College.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Property developments

In June 2022 the new Green Construction Skills Centre in Abingdon was completed, ready to be used from September 2022.

Post-balance sheet events

Following a review by the Office for National Statistics, it has been formally announced, on 29 November 2022, that FE Colleges and their subsidiaries will be reclassified as forming part of central government sector. Note 26 of the accounts refers.

Future developments

The College offered its first T Level qualifications from September 2021 in Digital, Health and Education. These two-year qualifications have been developed with employers, offer a new post GCSE choice and incorporate an extended industry placement to ensure that students develop relevant, highly valued technical skills in preparation for further study and/or careers. The T Level offer expanded to Engineering and Management from September 2022 and the College intends to deliver further T Levels in 2024.

In 2022 the College opened a Green Construction Skills Centre in Abingdon for predominantly 16-18s full time students to be trained.

In collaboration with other FE colleges across the Thames Valley region, the College is supporting the delivery of a DfE Skills Development Fund contract. Pilot courses in renewable technology and electric vehicles developed under the contract are planned to form an ongoing element of the College's provision in future years, addressing important skills needs in the local area.

The College is also working with Thames Valley Chamber of Commerce as the Local Skills Improvement Plan is established, demonstrating an ongoing commitment to remain responsive to the expectations of employers and wider stakeholders.

Budgets and financial plans have been prepared on a prudent basis to take account of the impact of COVID-19 and show that the College will remain solvent with cash at bank for the foreseeable future.

Resources

The College has significant resources which can be deployed in pursuit of its strategic objectives.

The College offers provision across Oxfordshire. It owns three sites in Abingdon, Witney and Common Leys and leases two sites in Kidlington and Bicester. The site in Oxford was closed in July 2022.

Financial

Excluding pension reserves, the College has £15,437k (2021 £15,382k) of net assets. Its resilience in coping with the challenges of the current year is reflected in a cash balance of £2,699k (2021 £3,292k).

People

During the 2021/22 year, the College employed an average of 403 Full Time Equivalent (2020/21 398) people, of whom 160 (2020/21 159) were teaching department staff. Workforce composition data shows that 71% of these staff members were female and 29% male (2020/21: 72% female and 28% male).

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022**

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**Table 1 – Relevant union officials**

<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

<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

Total cost of facility time	£7,705.92
Total pay bill from April 21 to March 22	£15,841,000
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

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	$(520/520) \times 100 = 100\%$
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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:

ABINGDON AND WITNEY COLLEGE

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

- *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 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. In 2021/22 the College won the Hays Employer of the Year Award at the Oxfordshire Business Awards and received Gold in the Stonewall Schools and Colleges Champions programme.

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:

- The College's current Ofsted grade of Good could reduce to Requires Improvement or Inadequate which damages the College's reputation. Controls and Mitigation: six monthly review of College annual improvement plan, cross College quality cycles in place;
- Programmes cannot run as standards have fallen below the Minimum Standard as defined by ESFA. Controls and Mitigation: high standards of teaching, learning and assessment, and effective student support. Intensive care process for low pass rate courses. Course self-assessment reports (SAR) and action plans reviewed regularly by course teams;
- Disruption caused by the pandemic leads to a fall in achievement rates. Controls and Mitigation: Support for online teaching and a dynamic curriculum planning in place; remote access IT available;

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022**

- Enrolments fall because the courses on offer do not meet student and employer needs. Controls and Mitigation: continual review of local and national skills agenda and government policy. Student and employer led surveys held annually;
- Courses are designed which are not financially sustainable. Controls and Mitigation: curriculum planning model built and reviewed throughout the year, all ad-hoc courses set up mid-year require approval, workload monitoring of teaching staff held twice a year, tuition fee policy updated annually;
- Government policy relating to 14-16 provision changes. Controls and Mitigation: Stay abreast and influence where possible government policy;
- The introduction of T Levels negatively impacts contribution margins and financial stability. Controls and Mitigation: Review delivery models stay abreast of funding changes;
- The recruitment and retention of governors and Senior Managers with the correct skill sets is insufficient to achieve effective governance. Controls and Mitigation: training, internal audit of Governance, self-assessment, professional clerk;
- Failure to comply with Regulatory, Funding and Awarding body rules and regulations leads to withdrawal of permissions and/or funding. Controls and Mitigation: internal audit, trained staff, internal compliance checks, awareness of funding rule updates, college quality cycle;
- Enrolment numbers are lower than planned leading to insufficient funding for planned expenditure. Controls and Mitigation: market research undertaken to identify and respond to needs, clear marketing plan and energetic promotion and schools' liaison, live reports on applications and acceptance available via the student management system (EBS). If necessary, reduce costs as appropriate;
- Cash holdings are eroded as the college does not make use of effective working capital. Controls and Mitigation: 12 months rolling cashflow produced every month, Treasury Management Policy reviewed every 3 years, monthly debtor analysis produced to focus on overdue debts, governor oversight, tight financial controls. If necessary, reduce costs as appropriate;
- Reductions to government funding leads to cost cutting measures which erode quality. Controls and Mitigation: annual budgeting process identifies task required to achieve at least cash neutral budget, effective procurement, expectation management. Continued focus away from government funding, including the provision of back office services in HR and IT;
- Cost inflation (especially pay and energy) increases faster than income inflation leading to an unsustainable deficit. Controls and Mitigation: annual budgeting process identifies task required to achieve at least cash neutral budget, effective procurement, expectation management. Sensitivity analysis of likely scenarios reported to Board. Reduction to variable costs;
- College is subject to a significant fraud leading to reduced reserves and reputational damage. Controls and Mitigation: Financial Regulations Policy reviewed annually. Clear guidance in Finance department for the setting up and changing of supplier bank details. Fraud training regularly undertaken by Finance team. Bank approval process requires two approvers for payments over £5k;
- Competitors acquire market share leading to a reduction in enrolments below planned levels. Controls and Mitigation: Senior and middle management continually monitor competitor activity and respond accordingly. Work in partnership with schools. Provide attractive offer;
- Ongoing changes to apprenticeship policy and funding impact recruitment and financial contribution. Controls and Mitigation: Senior Managers continually review policy changes, delivery models and look to grow turnover to offset declining margins;
- Reduced HE recruitment leads to reduced income. Controls and Mitigation: Senior Managers review funding policy and amend offer as required;
- Changes to the subcontracting policy impact our ability to deliver our Adult Education Budget. Controls and Mitigation: Senior Managers monitor policy changes and ensure all work remains compliant;
- 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. Controls and Mitigation: 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.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022**

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, 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, 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 staff and students in terms of lesbian, gay, bisexual and transgender (LGBTQ) 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.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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 31st March 2021. At this date, Abingdon and Witney College employed 579 staff, 405 (69.9%) of which were female and 174 (30.1%) were male. The College is committed to fair pay.

Mean Gender Pay Gap	Median Gender Pay Gap
Male: £16.24 Female: £15.33	Male: £16.11 Female: £13.75
Female hourly pay is 5.6% lower than male	Female hourly pay is 14.7% lower than male

DISABILITY STATEMENT

The College seeks to achieve 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:

- 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 cross 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. The College's Estates team responsibilities include the implementation of sustainability and carbon reduction strategies and the measurement of improvements, assisted by the Green team (which includes student and staff from across the College).

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022**

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 6 December 2022 and signed on its behalf by:



Gavin Maitland-Smith

Chair

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

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 1st August 2021 to 31st July 2022 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 principals 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 2022. Under the terms of its funding agreement, the College is required to have an external governance review every 3 years. The first review is required to be undertaken between August 2021 and July 2024 and every three years after that. No review has been undertaken during 2021/22 – the College is currently in the process of planning and preparing for a such a review. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

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

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 appointment	Status of appointment	Committees served	Current term of office expires / d	% attendance
Adam Mumford	04 July 2018	03 July 2022	Independent governor	Audit, NRG	2 July 2026	90%
Alan Bark	05 July 2022		Independent governor	F&GP	4 July 2026	100%
Ali Kennedy	01 January 2019		Independent governor	Audit	Resigned – 9 Sept 2022	57%
David Walker	03 February 2022		Independent governor	F&GP	2 February 2026	100%
Edward Collett	05 July 2020		Staff governor	CQS	4 July 2024	88%
Fay Croft	12 June 2014	12 June 2018	Independent governor	CQS, NRG	End of Office – 12 June 2022	86%

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

Gavin Maitland-Smith	15 October 2015	15 October 2019	Independent governor	NRG	14 October 2023	86%
Howard Dodd	03 July 2018	03 July 2022	Independent governor	F&GP	2 July 2026	100%
Jacqui Canton	01 September 2020		Ex Officio	CQS, NRG, F&GP	NA	100%
Kathryn Shutterlin	14 October 2020		Staff governor	CQS	13 October 2024	100%
Nick Handy	07 July 2016	06 July 2020	Independent governor	F&GP, NRG	5 July 2024	91%
Nicolas Pages	02 July 2019		Independent governor	Audit	1 July 2023	71%
Robert Weavers	24 November 2021		Student governor	CQS, F&GP, NRG	23 November 2023	86%
Roger File	12 June 2014	12 June 2018	Independent governor	F&GP	End of Office – 12 June 2022	67%
Sam Wolfe	22 March 2021		Independent governor	CQS	21 March 2024	71%
Sean Wellington	15 October 2015	15 October 2019	Independent governor	F&GP	Resigned – 11 October 2022	82%
Vicky Field	15 October 2015	15 October 2019	Independent governor	CQS, NRG	14 October 2023	100%

Average attendance at Corporation Board meetings was 85% against a national mean average attendance rate (across 89 colleges) of 82.4%. Average attendance at both Corporation Board and Committee meetings was 87%.

Ms J Lowe acted as Clerk to the Corporation until 03/08/21. The position of Clerk was covered by the Principal and Chief Executive until Mrs L Grainger joined as Clerk on 1 March 2022.

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

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

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.

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 free from any business or other relationship which could materially interfere with the exercise of their judgement. Conflict of interests 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 2021-22 was received by the Corporation Board in October 2022. The Corporation Board is responsible for ensuring that appropriate training is provided as required.

Independent members (excluding the Chair) 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 Code. All members are required to reapply at the expiration of their first term which is subsequently approved at the Corporation Board. In exceptional circumstance the Chair's appointment may extend into a ninth year, but not beyond it. All appointments, and reappointments, are based on merit and take into account the required Governor skillset.

Training for Governors

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 and in April 2022 the Clerk provided all Governors with the College's relaunched 'Ready, Respectful, Safe' information and the high-level view video. Governors can receive the weekly Association of Colleges (AoC) Chief Executive's Briefing. Association of Colleges webinars were accessed by some governors. Refreshed information on the training available from Eversheds was circulated by the Clerk to all Governors in May 2022 and the slides have been made available online.

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

The Clerk has also provided Committee Chairs with access to the Association of Colleges Committee Chair programmes, and these have been attended. Training on Carbon Literacy and Finance Master Classes were made available by the Clerk to all Governors in June 2022. In July 2022, Governors were given IT training by the Head of Digital Learning. The College encourages training and development of all staff, including Governance professionals. The Clerk has received training consistent with all new College employees, and internal training on the College's governance structure.

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 competent, 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 summary of the review findings and any associated action plan in either the statement of corporate governance or internal control.

Key governance challenges for 2022-23 are ensuring that:

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

Nominations, Remuneration and Governance committee

Throughout the year ended 31 July 2022 the College's Nominations, Remuneration and Governance 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%
Fay Croft	2	2	100%
Gavin Maitland-Smith	3	2	67%
Jacqui Canton	3	3	100%
Nick Handy	3	3	100%
Robert Weavers	1	1	100%
Sean Wellington	3	3	100%
Vicky Field	3	3	100%

The Committee's responsibilities are to make recommendations to the Corporation Board on the remuneration and benefits of the Principal (with the Principal not present) and the Clerk. On recommendation of the NRG Committee, the Corporation Board approved the Senior Post Holder Remuneration policy on March 2020 (scheduled for review in March 2023) which ensure 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 20 September 2022, which set out the key business areas covered in each area of Nominations, Remuneration and Governance.

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

Details of remuneration of the Accounting Officer for the year ended 31 July 2022 are set out in note 8 to the financial statements.

Audit committee

The Audit Committee comprised three members of the Corporation Board, who cannot be the Principal and Chief Executive, or Chair. The Committee operates in accordance with written terms of reference approved by the Corporation Board.

The Audit Committee met three times during 2021/22 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.

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

MEMBERS	Possible	Actual	%
Adam Mumford	3	3	100%
Ali Kennedy	3	2	67%
Nicolas Pages	3	2	67%

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.

The Corporation Board has delegated the day-to-day responsibility to the Principal and Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Abingdon and Witney College and the funding bodies. The Principal and Chief Executive 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 manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

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 2022 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 2022 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 11 and 12. 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:

- 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 on each Corporation 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 risk. Risks are priorities using a consistent scoring system.

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

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 2022 no significant control weaknesses have been identified. The independent internal auditors carried out six reviews. In all of these reviews there were zero Urgent (level 1) recommendations, twelve Important (level 2) recommendations, 19 Routine (level 3) recommendations, and 2 Operational recommendations were made. Further information is set out below:

Review	Evaluation	Recommendations			
		1 Urgent	2 Important	3 Routine	OEM Operational
Cyber Security	Reasonable	0	3	2	1
Committee Structures	Substantial	0	0	1	0
Risk Management	Substantial	0	0	3	1
Absence Management	Reasonable	0	4	5	0
Key Financial Controls	Reasonable	0	2	3	0
Subcontracting	Reasonable	0	3	5	0
TOTAL	-	0	12	19	2

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

A high-level review of Leaner Number Systems was undertaken during the year, with further work planned in 2022/2023, with additional work was completed by the external auditors as part of the year end audit.

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.

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 board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2021-22 and up to the date of the approval of the July 2022 financial statements are:

- July 2021 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.

ABINGDON AND WITNEY COLLEGE

Statement of Corporate Governance and Internal Control FOR THE YEAR ENDED 31 JULY 2022

- 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 hospitalities
 - Public Interest Disclosure / whistleblowing
 - Use of the college seal and high value contracts
- Proposal to the Corporation Board of the Financial Statements audit plan for the year

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal and Chief Executive'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 and Chief Executive, as Accountancy 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.

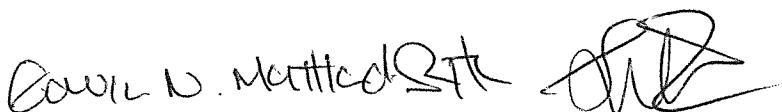
ABINGDON AND WITNEY COLLEGE

**Statement of Corporate Governance and Internal Control
FOR THE YEAR ENDED 31 JULY 2022**

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 2022 meeting, the Corporation Board carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior management team and internal audit. Events since 31 July 2022 were taken into account at the December 2022 Corporation Board meeting.

Based on the advice of the Audit Committee and the Principal and Chief Executive 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 Tuesday 06 December 2022 and signed on its behalf by



Gavin Maitland-Smith
Chair

Jacqui Canton
Principal and Chief Executive

ABINGDON AND WITNEY COLLEGE

**Corporation Board's statement on the College's Regularity, Propriety and Compliance
FOR THE YEAR ENDED 31 JULY 2022**

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 terms and conditions of funding, under the corporation's grant funding agreements and contracts with ESFA, or any other public funder.

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



Jacqui Canton
Principal and Chief Executive
6 December 2022

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.

Approved by order of the Corporation Board on 06 December 2022 and signed on its behalf by



Gavin Maitland-Smith
Chair
6 December 2022

ABINGDON AND WITNEY COLLEGE

Statement of the responsibilities of the members of the Corporation FOR THE YEAR ENDED 31 JULY 2022

The members of the corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA and any other relevant funding bodies, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from 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. 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.

ABINGDON AND WITNEY COLLEGE

**Statement of the responsibilities of the members of the Corporation
FOR THE YEAR ENDED 31 JULY 2022**

Approved by order of the Members of the Corporation on 06 December 2022 and signed on its behalf by:



Gavin Maitland-Smith
Chair

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2022**

We have audited the financial statements of the Corporation of Abingdon and Witney College (the 'College') for the year ended 31 July 2022 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2022 and of its deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

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 Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Corporation is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CORPORATION (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

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:

- 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 corporation 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.

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

We have no matters to report arising from this responsibility.

Responsibilities of the Corporation of Abingdon and Witney College

As explained more fully in the Statement of Corporation Responsibilities on pages 26 and 27, the Corporation is 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 Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation 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 Corporation either intends to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

ABINGDON AND WITNEY COLLEGE

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2022

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:

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants and Registered Auditor
London, United Kingdom

Date 14/12/2022

ABINGDON AND WITNEY COLLEGE

**REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2022**

To:

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

In accordance with the terms of our engagement letter dated 8 November 2022 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 the Corporation of Abingdon and Witney College during the period 1 August 2021 to 31 July 2022 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Abingdon and Witney College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Corporation 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 which 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 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

ABINGDON AND WITNEY COLLEGE

**REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2022**

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

The work undertaken to draw to our conclusion includes:

- An assessment of material irregularity and impropriety across all of the College's activities;
- Further testing and review of self-assessment questionnaire including inquiry, 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 2021 to 31 July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants and Registered Auditor
2 London Wall Place
London
EC2Y 5AU

Date: 14 December 2022

ABINGDON AND WITNEY COLLEGE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022**

	Note	Total funds 2022 £000	Total funds 2021 £000
Income from:			
Funding body grants	4	21,635	20,495
Tuition fees and educational contracts	5	2,107	2,381
Other grants and contracts		16	211
Other income	7	658	575
		<hr/>	<hr/>
Total income		24,416	23,662
Expenditure on:			
Staff costs	8	18,683	17,561
Other operating expenses	9	6,019	5,997
Depreciation	12	2,211	2,063
Interest and other finance costs	10	523	396
		<hr/>	<hr/>
Total expenditure		27,436	26,017
		<hr/>	<hr/>
Deficit for the year		(3,020)	(2,355)
Profit on disposal of assets		(19)	125
Actuarial gain/ (loss) in respect of pension schemes	22	20,949	(596)
		<hr/>	<hr/>
Total comprehensive income/ (expenditure) for the year		17,910	(2,826)
Represented by:			
Total funds brought forward		(7,446)	(4,620)
Total comprehensive expenditure for the year		17,910	(2,826)
		<hr/>	<hr/>
Total funds carried forward		10,464	(7,446)

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 38 to 63 form part of these financial statements.

ABINGDON AND WITNEY COLLEGE

STATEMENT OF CHANGES IN RESERVES
AS AT 31 JULY 2022

	Income and expenditure account £000	Total Funds £000
At 1 August 2020	(4,620)	(4,620)
Comprehensive income for the year		
Deficit from the income and expenditure account	(2,230)	(2,230)
Other comprehensive income for the year		
Actuarial losses in respect of pension schemes	(596)	(596)
Total comprehensive income for the year	<u>(2,826)</u>	<u>(2,826)</u>
	(7,446)	(7,446)
At 1 August 2021	<u>(7,446)</u>	<u>(7,446)</u>
Comprehensive income for the year		
Deficit from the income and expenditure account	(3,039)	(3,039)
Other comprehensive income for the year		
Actuarial gains in respect of pension schemes	20,949	20,949
Total comprehensive income for the year	<u>17,910</u>	<u>17,910</u>
At 31 July 2022	<u><u>10,464</u></u>	<u><u>10,464</u></u>

ABINGDON AND WITNEY COLLEGE

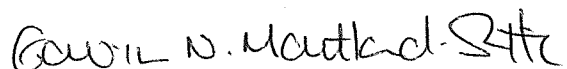
**BALANCE SHEET
AS AT 31 JULY 2022**

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	12		42,998		40,663
			<u>42,998</u>		<u>40,663</u>
Current assets					
Stocks		113		81	
Trade and other receivables	13	753		592	
Cash and cash equivalents	18	2,699		3,292	
		<u>3,565</u>		<u>3,965</u>	
Creditors: amounts falling due within one year	14	(4,793)		(4,552)	
Net current liabilities			<u>(1,228)</u>		<u>(587)</u>
Total assets less current liabilities			<u>41,770</u>		<u>40,076</u>
Creditors: amounts falling due after more than one year	15		(26,333)		(24,694)
Provisions for liabilities	16		(482)		(571)
Net assets excluding pension liability			<u>14,955</u>		<u>14,811</u>
Defined benefit pension scheme liability	22		(4,491)		(22,257)
Total net assets			<u>10,464</u>		<u>(7,446)</u>
Corporation reserves					
Unrestricted funds					
Income and expenditure account		10,464		(7,446)	
Total unrestricted funds			<u>10,464</u>		<u>(7,446)</u>
Total funds			<u>10,464</u>		<u>(7,446)</u>

ABINGDON AND WITNEY COLLEGE

**BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022**

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



.....
Gavin Maitland-Smith

Chair

Date: 6 December 2022

The notes on pages 38 to 63 form part of these financial statements.

ABINGDON AND WITNEY COLLEGE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	17	4,482	4,034
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		42	125
Purchase of tangible fixed assets		(4,607)	(2,287)
Net cash used in investing activities		(4,565)	(2,162)
Cash flows from financing activities			
Interest paid		(146)	(112)
Repayment of amounts borrowed	15,14	(364)	(368)
Net cash used in financing activities		(510)	(480)
Change in cash and cash equivalents in the year		(593)	1,392
Cash and cash equivalents at the beginning of the year		3,292	1,900
Cash and cash equivalents at the end of the year	18	2,699	3,292

The notes on pages 38 to 63 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

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 2021/22 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102).

The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the 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 college, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College currently has £4.9m of loans outstanding with bankers on varying terms. Additionally, the College has an overdraft facility of £500k, which is currently unused. 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.

In line with the College's Reserves Policy, the College holds unrestricted general funds of £10,464k (2021 £7,446k deficit). The level of reserves held is to support fluctuations in working capital, financial risks, and future developments.

The College is aware that bought in costs such as utility costs are under significant inflationary pressure at this time. Management are reviewing all fixed price contracts and use of these services on an ongoing basis to ensure the College financial position is not materially impacted by them.

Consequently the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared these statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

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.

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

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

Capital grant funding

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

Fee income

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

Investment income

All income from short-term deposits is credited to the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.6 Enhanced pensions

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

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.

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 the FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and buildings

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 as the open market value. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

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

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

On adoption of FRS 102, the College followed the transitional provision to 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 2022. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to 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 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.

Depreciation is provided on the following bases:

Major refurbishment	- 20 years
Building improvements	- 10 years
New building	- 40 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. Accounting policies (continued)

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 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) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

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 3 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, however the Corporation has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

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 2022**

2. 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.

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.

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.

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 College 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 in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.18 Finance leases and hire purchase

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

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the 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

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and is unable to identify the share of its underlying assets and liabilities between employers. As a consequence the Corporation is unable to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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

Net interest on the net defined benefit liability 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 financial costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. Accounting policies (continued)

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.

Critical accounting estimates and assumptions:

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

- 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.

Other key sources of estimation uncertainty

- **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 a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pensions Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. 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.

ABINGDON AND WITNEY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

4. Funding body grants

	2022 £000	2021 £000
Recurrent grants		
Education and Skills Funding Agency - adult education budget	4,529	4,506
Education and Skills Funding Agency - 16-18	10,448	10,468
Education and Skills Funding Agency - apprenticeships	2,038	1,666
Specific grants		
Education and Skills Funding Agency - contract for services	-	104
Education and Skills Funding Agency - capacity and delivery	97	111
Education and Skills Funding Agency - teachers pension scheme	389	420
Education and Skills Funding Agency - small class grant	190	226
Releases of government capital grants	1,410	1,016
Local authority	2,534	1,978
	<u>21,635</u>	<u>20,495</u>

5. Tuition fees and education contracts

	2022 £000	2021 £000
Adult education fees	1,041	1,066
Apprenticeship fees and contracts	21	29
Education contracts	1,045	1,286
	<u>2,107</u>	<u>2,381</u>

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

6. Other grants and contracts

	2022	<i>2021</i>
	£000	<i>£000</i>
Coronavirus Job Retention Scheme grant	16	<i>211</i>
	<hr/> 16 <hr/>	<hr/> <i>211</i> <hr/>

The Corporation furloughed various roles throughout the College who were engaged with income streams that were impacted by the pandemic (e.g. catering, caretaking, business development staff) under the government's Coronavirus Job Retention Scheme. The funding received of £16k relates to staff costs which are included within the staff costs note below as appropriate.

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

7. Other income

	2022	<i>2021</i>
	£000	<i>£000</i>
Catering and residences	225	<i>127</i>
Other income generating activities	188	<i>283</i>
Miscellaneous income	245	<i>165</i>
	<hr/> 658 <hr/>	<hr/> <i>575</i> <hr/>

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8. Staff costs

	2022	<i>2021</i>
	£000	<i>£000</i>
Wages and salaries	12,336	<i>12,140</i>
Social security costs	1,083	<i>1,014</i>
Pension costs	5,183	<i>4,353</i>
	18,602	<i>17,507</i>
Contracted out staffing services	54	<i>54</i>
Restructuring costs - Contractual	21	<i>-</i>
Restructuring costs - Non-contractual	6	<i>-</i>
	18,683	<i>17,561</i>

Other pension costs include £3,957k for S28 FRS102 adjustments (£2,139k 2020/21). The College does not have any salary sacrifice arrangements in place.

The average Full Time Equivalent number of persons (including Key Management Personnel) employed by the Corporation during the year, described as headcount, was:

	2022	<i>2021</i>
	No.	<i>No.</i>
Teaching staff	160	<i>159</i>
Non teaching staff	243	<i>239</i>
	403	<i>398</i>

The average headcount for the year (non full time equivalent) was 181 teaching staff and 326 non-teaching staff.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8. Staff costs (continued)

One member of staff excluding Key Management Personnel received employee benefits in excess of £60,000, being between £60,001 and £65,000 (2021: No members of staff received employee benefits in excess of £60,000).

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation.

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

Key Management Personnel was represented by the Senior Management Team (SMT) who comprise of:

- Principal and Chief Executive Officer
- Deputy Principal
- Vice Principal Student Engagement
- Vice Principal Funding Planning and Systems Improvement
- Finance Director

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

The number of Key Management Personnel and other staff who received emoluments, excluding employer contributions to national insurance and pensions but including benefits-in-kind, during the year in the following ranges was:

	2022	2021
	No.	No.
In the band £10,001 - £15,000	-	1
In the band £30,001 - £35,000	-	1
In the band £60,001 - £65,000	1	1
In the band £65,001 - £70,000	1	1
In the band £70,001 - £75,000	2	-
In the band £75,001 - £80,000	-	1
In the band £80,001 - £85,000	1	1
In the band £130,001 - £135,000	-	1
In the band £135,001 - £140,000	1	-

ABINGDON AND WITNEY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

	2022 No.	2021 No.
Staff costs (continued)		
The number of Key Management Personnel posts including the Accounting Officer was:	5	7
	<u>5</u>	<u>7</u>
	<u><u>5</u></u>	<u><u>7</u></u>
	2022 £000	2021 £000
Key Management Personnel remuneration is made up as follows:		
Salary	433	465
Employers national insurance	55	57
Benefits-in-kind	-	-
	<u>488</u>	<u>522</u>
Pension contributions	88	84
	<u>576</u>	<u>606</u>
Total Key Management Personnel remuneration	<u><u>576</u></u>	<u><u>606</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8. Staff costs (continued)

The previous remuneration table includes amounts payable to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Salary	136	<i>131</i>
Employers national insurance	18	<i>17</i>
Benefits in kind	-	<i>-</i>
	154	<i>148</i>
Pension contributions	27	<i>23</i>
Total remuneration	181	<i>171</i>

In determining the Principal and Chief Executive's pay, the Board has adopted the Association of Colleges Senior Post Holder Remuneration Code (The Code), which covers the emoluments of one Senior Post Holder, the Principal and Chief Executive.

The Remuneration Committee applies the principles (fair, appropriate and justifiable remuneration, procedural fairness and transparency and accountability) and detailed guidance provided by The Code and associated guidance notes in its determination of the Principal and Chief Executive's remuneration, using the AoC Senior Pay Survey as its comparator.

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

	2022	<i>2021</i>
Relationship of Principal and Chief Executive pay and remuneration expressed as a multiple:		
Principal and Chief Executive's basic salary as a multiple of the median basic salary of all staff	3.7	<i>3.2</i>
Principal and Chief Executive's total remuneration as a multiple of the median total remuneration of all staff	4.4	<i>3.7</i>

ABINGDON AND WITNEY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

9. Other operating expenses

	2022 £000	2021 £000
Teaching costs	2,949	3,097
Non-teaching costs	1,606	1,690
Premises costs	1,464	1,210
	<u>6,019</u>	<u>5,997</u>

	2022 £000	2021 £000
Other operating expenses include:		
Auditor's remuneration - Audit of the financial statements	25	29
Internal audit	22	21
Hire of assets under operating leases	163	153
	<u>210</u>	<u>203</u>

10. Interest and other finance costs

	2022 £000	2021 £000
Interest on bank loans	137	112
Pension finance costs	386	284
	<u>523</u>	<u>396</u>

11. Taxation

The Governors do not believe 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 2022

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 2021	54,888	1,038	5,893	397	62,216
Additions	783	7	613	3,204	4,607
Transfers intra group	322	-	217	(539)	-
Disposals	-	-	(132)	-	(132)
At 31 July 2022	<u>55,993</u>	<u>1,045</u>	<u>6,591</u>	<u>3,062</u>	<u>66,691</u>
Depreciation					
At 1 August 2021	15,983	19	5,551	-	21,553
Charge for the year	1,498	85	628	-	2,211
On disposals	-	-	(71)	-	(71)
At 31 July 2022	<u>17,481</u>	<u>104</u>	<u>6,108</u>	<u>-</u>	<u>23,693</u>
Net book value					
At 31 July 2022	<u>38,512</u>	<u>941</u>	<u>483</u>	<u>3,062</u>	<u>42,998</u>
At 31 July 2021	<u>38,905</u>	<u>1,019</u>	<u>342</u>	<u>397</u>	<u>40,663</u>

13. Trade and other receivables

	2022 £000	2021 £000
Due within one year		
Trade receivables	173	71
Other debtors	110	50
Prepayments and accrued income	317	279
Amounts owed by the ESFA	153	192
	<u>753</u>	<u>592</u>

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

14. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£000	<i>£000</i>
Bank loans and overdrafts	360	360
Trade creditors	1,024	902
Oxfordshire Adult Learning	50	40
Other taxation and social security	249	255
Obligations under finance leases	72	79
Other creditors	115	186
Accruals and deferred income	2,827	2,595
Amounts owed to the ESFA	96	135
	<u>4,793</u>	<u>4,552</u>

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Bank loans	4,500	4,864
Oxfordshire Adult Learning	50	60
Deferred government capital grants	21,783	19,770
	<u>26,333</u>	<u>24,694</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 are amounts falling due as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Between one and two years		
Bank loans	<u>360</u>	<u>360</u>
Between two and five years		
Bank loans	<u>1,080</u>	<u>1,080</u>
Over five years		
Bank loans	<u>3,060</u>	<u>3,424</u>

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

16. Provisions

	Defined benefit obligations	Enhanced pensions	Total funds
	£000	£000	£000
At 1 August 2021	22,257	571	22,828
Additions/ (reduction) in period	3,129	(35)	3,094
Actuarial (gain)/ loss	(20,895)	(54)	(20,949)
	<u>4,491</u>	<u>482</u>	<u>4,973</u>

Defined benefit obligations relate to the liabilities under the Corporation's membership of the Local Government Pension Scheme. Further details are given in Note 22.

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

The principal assumptions for this calculation are:

	2022	2021
Price inflation	3.3%	1.6%
Interest rate	2.9%	2.8%

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Net expenditure for the year	(3,020)	<i>(2,355)</i>
Adjustments for:		
Depreciation charges	12 2,211	<i>2,063</i>
Interest payable	146	<i>396</i>
(Increase) / decrease in stocks	(32)	<i>29</i>
(Increase) / decrease in debtors	13 (161)	<i>427</i>
Increase in creditors due within one year	14 241	<i>519</i>
Increase in creditors due after one year	2,003	<i>817</i>
Decrease in other provisions	(89)	<i>(1)</i>
Pension costs less contributions payable	22 3,129	<i>2,139</i>
Actuarial gains on enhanced pension schemes	54	<i>-</i>
Net cash provided by operating activities	4,482	<i>4,034</i>

18. Analysis of cash and cash equivalents

	2022	<i>2021</i>
	£000	<i>£000</i>
Cash in hand	2,699	<i>3,292</i>
Total cash and cash equivalents	2,699	<i>3,292</i>

19. Analysis of changes in net debt

	At 1 August	Cash flows	At 31 July
	2021	£000	2022
	£000		£000
Cash at bank and in hand	3,292	(593)	2,699
Debt due within 1 year	(360)	-	(360)
Debt due after 1 year	(4,864)	364	(4,500)
Finance leases	(79)	7	(72)
	(2,011)	(222)	(2,233)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

20. Contingent liabilities

There were no contingent liabilities at the year end.

21. Capital commitments

As at the year-end, the Corporation had capital commitments of £1,749k.

22. Pension commitments

The Corporation operates a defined benefit pension scheme.

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

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 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 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% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020/21 and 2021/22 academic year.

NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

The pension costs paid to TPS in the year amounted to £1,228k (2020/21: £1,178k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Oxfordshire County Council. The total contributions made for the year ended 31 July 2022 were £1,589k, of which employer's contributions totalled £1,205k and employees' contributions totalled £384k. The agreed contribution rates for future years are 21% in 2022/23 and 21% in 2023/24 for employers and range from 5.5% to 12.5% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2022 by a qualified independent actuary.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 July 2022	<i>At 31 July 2021</i>
	%	%
Discount rate	3.5	1.4
Future salary increases	2.7	2.8
Future pension increases	2.7	2.8

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

	At 31 July 2022	<i>At 31 July 2021</i>
	Years	Years
Retiring today - Males	22.2	22.4
Retiring today - Females	24.5	24.7
Retiring in 20 years - Males	23.1	23.4
Retiring in 20 years - Females	26.1	26.3

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

22. Pension commitments (continued)

The Corporation's share of the assets in the scheme was:

	At 31 July 2022 £000	<i>At 31 July 2021 £000</i>
Equities	23,543	21,673
Corporate bonds	5,483	6,502
Property	2,902	2,167
Cash and other liquid assets	322	619
Total fair value of assets	32,250	<i>30,961</i>

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2022 £000	<i>2021 £000</i>
Current service cost Amounts included in staff costs		
Current service costs	3,957	2,139
	3,957	<i>2,139</i>
Amounts recognised in other comprehensive income		
Return on plan assets	(40)	4,841
Settlements and curtailments	-	-
Changes in assumptions underlying the present value of plan liabilities	20,935	<i>(5,433)</i>
	20,895	<i>(592)</i>

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

	2022 £000
Opening defined benefit obligation	53,209
Contributions by scheme participants	384
Benefits paid	(762)
Interest cost	879
Changes in financial assumptions	(20,935)
Current service cost	3,957
Closing defined benefit obligation	36,732

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

22. Pension commitments (continued)

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

	2022
	£000
Opening fair value of scheme assets	30,961
Interest income	502
Contributions by employer	1,205
Contributions by scheme participants	384
Benefits paid	(762)
Expected return on assets	(40)
Closing fair value of scheme assets	32,250

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

	2022	2021
	£000	£000
Fair value of plan assets	32,250	30,961
Present value of plan liabilities	(36,732)	(53,209)
Present value of unfunded liabilities	(9)	(9)
Net pensions liability	(4,491)	(22,257)

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

22. Pension commitments (continued)

Total pension cost for the year

	2022	<i>2021</i>
	£000	<i>£000</i>
Local Government Pension Scheme		
Contributions paid	1,205	<i>1,043</i>
FRS 102 (28) charge	2,752	<i>2,139</i>
	3,957	<i>3,182</i>
Movement in the year		
Teachers' Pension Scheme: contributions paid	1,228	<i>1,178</i>
Enhanced pension charge to the Statement of Comprehensive Income	9	<i>-</i>
	5,194	<i>4,360</i>

23. Operating lease commitments

At 31 July 2022 the Corporation had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Not later than 1 year	287	<i>318</i>
Later than 1 year and not later than 5 years	718	<i>891</i>
Later than 5 years	1,143	<i>1,601</i>
	2,148	<i>2,810</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

24. Related party transactions

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

The Principal and Chief Executive is a board member of the Oxfordshire Local Enterprise Partnership (OXLEP). During 2021/2022 the College received payments totalling £2,680,000 from OXLEP in relation to pre-approved capital projects (2020/2021 £857,000).

The Principal and Chief Executive is a member, and the former Deputy Principal a Trustee of Abingdon Learning Trust. During 2021/22 the College supplied services to the Trust totalling £18,887 (2020/21 £25,000).

Professor S Wellington, who retired as governor on 11/10/2022, is Deputy Vice Chancellor, Provost at Middlesex University, to whom the College paid £10,000 (2020/2021 £0) on normal commercial terms for services rendered during the year.

Mr R File, who retired as a governor on 12/06/2022, works as Property Director to Blenheim Estate. The College made payments of £1,427 to Blenheim (2020/2021 £1,000) during the year.

Ms V Field is a trustee of The Mills Art Centre. The College made payments totalling £15,990 during the year (2020/2021 £12,000k).

The total expenses paid to or on behalf of the Governors during the year was £0; 0 governors (2020/2021: £0k; 0 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and other events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2020/2021: £0).

ABINGDON AND WITNEY COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

25. Amounts disbursed as agent

	2022	<i>2021</i>
	£000	<i>£000</i>
Learner support funds		
Funding body grants – hardship support	69	<i>103</i>
Funding body grants – childcare support	9	<i>9</i>
ESFA – Advanced Learner Loans Bursary	52	<i>78</i>
	<hr/> 130	<hr/> <i>190</i>
Disbursed to students	(148)	<i>(186)</i>
Administration costs	(2)	<i>-</i>
Unspent funds from previous year	82	<i>78</i>
	<hr/> 62	<hr/> <i>82</i>
Balance unspent as at 31 July	<hr/> 62	<hr/> <i>82</i>

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

26. Post Balance Sheet Events

Following a review by the Office for National Statistics, it has been formally announced, on 29 November 2022, that FE Colleges and their subsidiaries will be reclassified as forming part of central government sector. This reclassification will change the framework in which College operates. Having reviewed initial guidance from the Department for Education and the Association of Colleges, the Governors do not believe this reclassification has an impact on the financial results prepared within these financial statements as conditions arose after the end of the reporting period. The College will continue to be funded and operate in the manner described within the members report and as such no adjustments have been made in regard to this event and any potential impacts will be recognised in future accounting periods.