

ABINGDON AND WITNEY COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Abingdon and Witney College

Contents

| | |
|---|----|
| Reference and administrative details | 2 |
| Strategic report | 4 |
| Statement of corporate governance and internal control | 15 |
| Statement of regularity, propriety and compliance | 24 |
| Statement of responsibilities of the Members of the Corporation | 25 |
| Independent auditors' report to the Members of the Corporation | 27 |
| Independent reporting accountant's report on regularity | 30 |
| Statement of comprehensive income and expenditure for the year ended 31 July 2025 | 32 |
| Statement of changes in reserves | 33 |
| Balance sheet as at 31 July 2025 | 34 |
| Statement of cash flows for the year ended 31 July 2025 | 35 |
| Notes to the financial statements for the year ended 31 July 2025 | 36 |

Abingdon and Witney College

Reference and administrative details

Current Board of Governors

N J Handy – Chairman until 5 July 2025
N Pagès – Chairman from 6 July 2025
A Bark
L Butler (resigned 12th December 2024)
J Canton
E Collett
B Haxton
M Howe Nordal (removed 3 July 2025)
H Brown (from 14 October 2024)
J Weavers-Medina (from 18 September 2025)
G Caleb (from 10 November 2025)

C Kitching (resigned 31 July 2025)
A Mumford
C Forder (from 20 March 2025)
A Schloerscheidt
K Shutterlin (term expired 13 October 2024)
A Tilley
D Walker
Prof. S Wolfe
A Kyei (resigned 31 July 2025)
A Badger (from 01 September 2025)
N Edwards (from 10 November 2025)

Clerk (throughout the year unless stated)

H Stamp (resigned 3 April 2025)
J Brown (appointed 24 February 2025)

Key Management Team (throughout the year)

| | |
|-----------|---|
| J Canton | Principal and Chief Executive |
| J Milsom | Deputy Principal, Student Engagement |
| K Barlow | Vice Principal, People and Culture |
| O Cognard | Vice Principal, Funding, Planning and Systems Improvement |
| S Gray | Vice Principal, Curriculum and Quality |
| M Lay | Finance Director |
| J Price | Vice Principal, Curriculum and Innovation (resigned 13 June 2025) |

Principal address and Registered Office

Abingdon and Witney College
Wootton Road
Abingdon
Oxfordshire
OX14 1GG

Website

www.abingdon-witney.ac.uk

Abingdon and Witney College

Reference and administrative details

Advisers

Financial statement and regularity auditors:

MHA

6th Floor, 2 London Wall Place

London

EC2Y 5AU

Internal auditors:

TIAA Ltd

Artillery House

Fareham

PO14 1AH

Bankers:

Barclays Bank PLC

11 West Way

Oxford

OX2 0JB

Solicitors:

Shakespeare Martineau

No 1 Colmore Square

Birmingham

B4 6AA

Abingdon and Witney College

Strategic report

The Governors present their annual report together with the financial statements and auditor's report for Abingdon and Witney College for the year ended 31 July 2025, under the 2019 edition of the Statement of Recommended Practice for Accounting for Further and Higher Education ("2019 FE HE SORP") and the College Accounts Direction ("CAD") of the Department for Education (DfE)

Abingdon and Witney College operates as a further education provider for students of 16 years old and above across Oxfordshire from three owned sites in Abingdon, Witney and Common Leys and one leased site in Bicester.

STRUCTURE, MISSION AND STRATEGY

Structure

The Corporation, hereinafter called 'the College' or "the Corporation", was established as a statutory corporation under the Further and Higher Education Act 1992 for the purposes of conducting Abingdon College.

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 College and West Oxfordshire College. 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.

The Corporation also has a charitable purpose and is considered an exempt charity under Part 3 of the Charities Act 2011.

The Corporation Board comprises the Members of the Corporation, who are also Trustees of the exempt charity and Governors of the College and are disclosed on pages 2 and 16.

Mission

The College provides a broad range of educational courses that support the local community and economy in Oxfordshire. The College's main student body are 16–19 year-olds engaging in a range of courses including Level 1, 2 and 3 qualifications. The College also trains a large number of adult 19+ students either to upskill and access higher education provision, to get into employment, to develop their skills while in work, or to retrain to learn new skills.

The College's Five-Year Strategic Plan was approved by the Corporation Board in October 2022. The College's 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."*

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

Abingdon and Witney College

Strategic report

Strategy

The College's strategic objectives are:

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

Underpinning each objective are a series of Key Performance Indicators to ensure progress against the College's Five-Year Strategic Plan is visible and monitored effectively.

Public benefit

In setting and reviewing the College's strategic objectives, the Corporation Board has complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the 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

Key Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the Further Education Provider Performance Measures and National Achievement Rate Tables on the GOV.UK website which look at measures such as achievement rates.

The College is required to complete the annual Finance Record for the Department for Education (DfE). The Finance Record produces a financial health grading. In May 2025, the DfE confirmed that the rating was "Good" for financial year 2023/24. The Corporation Board believes that the financial result detailed in this Annual Report and Financial Statement should lead to a DfE financial health grade of "Good" for 2024/25.

The College also has a series of internal Key Performance Indicators that measure progress against the College's Five-Year Strategic Plan and ensure that this is visible and monitored effectively.

The College's Key Performance Indicators results for 2024/25 and targets for 25/26 are set out below:

Abingdon and Witney College

Strategic report

| Key Performance Indicators | 24/25 Target | 24/25 Actual | 25/26 Target |
|-------------------------------------|--------------|--------------|--------------|
| Full Time Student Enrolments | 2,250 | 2,259 | 2,304 |
| Full Time Student Achievement rates | 89.2% | 86% | 89.7% |
| EBITDA as a % of relevant income | 4.6% | 5.0% | 4.6% |
| OFSTED rating | Good | Good | Good |

FINANCIAL REVIEW

Overall, the College's finances are robust and the Corporation Board currently believes that the College is financially secure.

Results for the financial year

A summary of the College's operating results for the last two years is as follows:

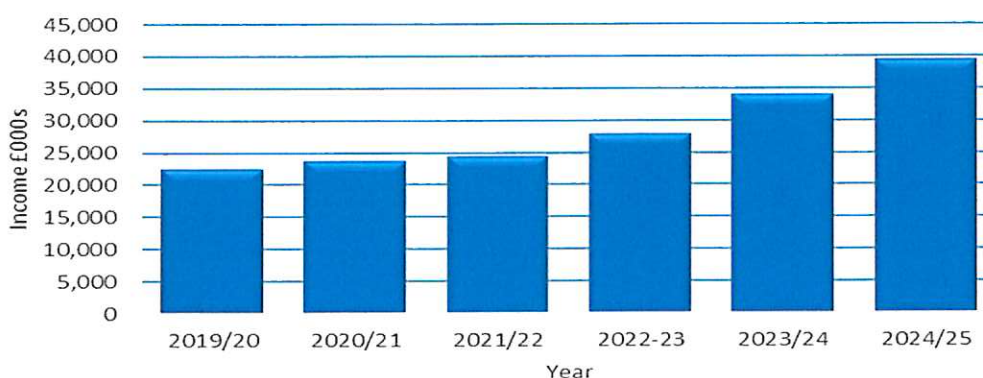
| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Surplus/(deficit) for the year as set out on page 32 | 886 | 778 |
| Pension (income)/costs relating to FRS 102 adjustments see Note 19 | (205) | (97) |
| Underlying operating surplus for the year | 681 | 681 |

Overall, the College made an operating surplus of £681k compared to a budgeted operating surplus set for 2024/25 of £391k.

Total income for the year

Income increased by 16% in 2024/25 to £39,302k compared to 2023/24 (£33,881k). This is primarily due to the additional income from the growth in numbers and funding rate of 16-19 students, additional high needs income for SEN students, and additional apprenticeship income.

Total Income by Year



Abingdon and Witney College

Strategic report

Staff costs

Total staff costs (excluding the impact of accounting for the Local Government Pension Scheme costs set out in Note 19) are 66% of total income (2023/24: 62%).

In line with the College's growing student numbers, the average Full Time Equivalent of staff numbers increased by 17.4% from 452 in 2023/24 to 531 in 2024/25. Full details of the College's staff costs are set out in Notes 8 and 9.

Fixed assets

The net book value of fixed assets as at 31 July 2025 was £44,741k, a net increase of £1,242k since the end of July 2024. This includes additions of £4,198k, which includes the building of Animal Management T Levels facilities at Common Leys and Media T Level facilities at Abingdon. Full details of the College's fixed assets are set out in Note 13.

Cash and borrowings

The overall cash outflow in 2024/25 was £2,142k (2023/24 £706k inflow). The College had two loans outstanding at the year-end; one with Barclays Bank and one with the DfE as follows:

- Barclays Bank plc: £2,947k (2023/24 - £3,210k) for Phase 1 of the Witney campus redevelopment. This balance is repayable by quarterly instalments until the next break clause in October 2026. The DfE is aware of the College's intention to transfer the outstanding loan balance to them at this point.
- Department for Education (DfE): £769k (2023/24 – £844k) for Phase 2 of the Witney development and Phase 3 of the Abingdon development. This loan was transferred from Barclays Bank plc to the Department for Education during 2023/24. The College has accounted for the concessionary nature of the beneficial interest rate from the Department for Education in accordance with FRS 102 paragraph 11.13 as set out in Note 2.13.

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. All bank covenants have been met for the year ended 31 July 2025.

Reserves policy and reserves level

The Corporation Board recognises the importance of unrestricted reserves in the financial stability of the College and regularly reviews working capital, financial risk and future developments to consider what level of unrestricted reserves is appropriate. Accordingly, the College has developed a Reserves Policy, which is reviewed on an annual basis. Under this policy, whilst the College has no formal requirement to build up unrestricted reserves, the Corporation Board's intention is, wherever possible, to increase reserves through the generation of annual operating surpluses in order to enable investment in accordance with the Five-Year Strategic Plan.

As at the balance sheet date, the unrestricted reserves were £16,562k (2023/24: £15,881k), which includes fixed assets with a net book value of £44,741k (2023/24: £43,499). Excluding pension provisions, the College has unrestricted reserves of £16,948k (2023/24: £16,284k).

Abingdon and Witney College

Strategic report

Supplier payment performance

The Corporation Board's policy is 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 to terms of payment in advance with suppliers. The College incurred no interest charges in respect of late payments for this period.

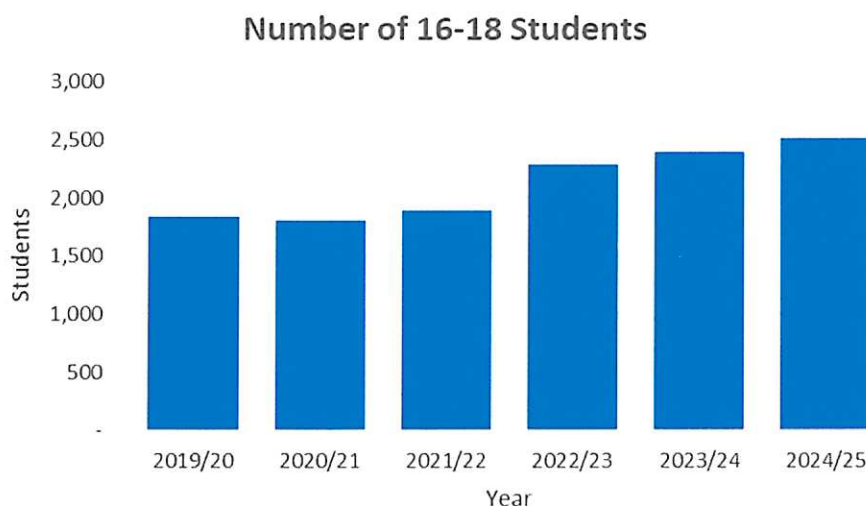
Property developments

During the year, the College completed the redevelopment of parts of D Block at Abingdon for Media T Level provision, and at Common Leys extended the main building and refurbished the equine building for the Animal Management T Level. The College also expanded its facilities in Bicester by leasing an industrial unit until June 2028.

STUDENT NUMBERS AND ACHIEVEMENT

Student numbers

The College's main body of students are those aged 16-18 years old. The growth in the numbers of 16-18 year olds over the last six years, including those funded by the DfE for Apprenticeships, is shown as follows:



Student achievement

For 16 –19-year-old students, achievement rates are 86% in 2024/25, compared to 79% in 2023/24 following a specific focus on improving student achievement rates throughout 2024/25.

For 19+ students, achievement rates are 92% in 2024/25, compared to 91% in 2023/24.

Abingdon and Witney College

Strategic report

CURRICULUM DEVELOPMENTS

As part of the College's strategic objective to develop a transformative and dynamic curriculum, the College continues to broaden its offer for 16 – 19-year-olds in line with the Government's policy and in 2024/25 started T Levels in Animal Management and Accounting. In 2025/26 new T Levels in Marketing, and in Design, Planning & Surveying for Construction will also be offered for the first time.

The Net Zero Skills Hub continues to grow, and a range of new courses have been developed during 2024/25. Under its Net Zero Skills Hub brand, the College was successfully awarded three UK Shared Prosperity Fund ("UKSPF") contracts to deliver "green skills" (which are considered to be the knowledge, abilities, values and attitudes needed to live in, develop and support a sustainable and resource-efficient society) training for residents of West Oxfordshire, South & Vale, and Cherwell Districts during 2024/25. A further contract in West Oxfordshire under UKSPF enabled the College to offer training in hospitality and care. The College was also successful in tendering to offer three Skills Bootcamps, in sustainability, "green" construction and engineering, all of which ran during 2024/25.

PEOPLE

During the 2024/25 financial year, the College employed an average of 531 Full Time Equivalent staff (2023/24: 452), of which 194 (2023/24: 165) were teaching staff. Workforce composition data as at 31 March 2025, shows that 69% of staff members were female and 31% were male (2023/24: 70% female and 30% male).

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the College is required to publish information on facility time arrangements for trade union officials as follows:

| Number of employees who were relevant union officials during the relevant period, being 1 April 2024 to 31 March 2025 | Full-time equivalent employee number |
|--|--------------------------------------|
| 3 | 2.8 |
| Percentage of time spent on facility time | Number of employees |
| 0% | 0 |
| 1-50% | 3 |
| 51-99% | 0 |
| 100% | 0 |
| Total cost of facility time | £ 9,884 |
| Total pay bill | £ 23,624,204 |
| Percentage of total pay bill spent on facility time, calculated as (total cost of facility time / total pay bill) x 100 | 0.04 % |
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100 | 0.00% |

GENDER PAY GAP REPORTING

The 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 below are based on employee data as at 31 March 2025. At this date, the College employed 683 eligible staff, of which 477 (69.8%) were female and 206 (30.2%) were male.

Abingdon and Witney College

Strategic report

| Mean Gender Pay Gap | Median Gender Pay Gap |
|--|--|
| Male: £20.48 Female: £17.75 | Male: £19.98 Female: £16.01 |
| Female hourly pay is 13.3% lower than male | Female hourly pay is 19.9% lower than male |

The above data shows that the College has a mean Gender Pay Gap of 13.3%. This is a decline from the mean gap of 11.7% in the previous reporting period to 31 March 2024.

PRINCIPAL RISKS AND UNCERTAINTIES

The risk register identifies the key strategic 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 the likelihood multiplied by the sum of the two impact scores.

Mitigating and control actions are identified to minimise the impact of each risk and a net score is calculated which considers 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 Corporation Board maintains a risk register and has identified the following current high-level risks and associated controls and mitigating actions:

| Significant Risk | Mitigations being taken |
|---|--|
| The quality of education falls which damages the College's reputation and in time leads to reduced income through lower enrolments. | Measure progress against college annual improvement plan on six-monthly basis. Cross-college quality cycles in places overseen by Quality Manager, managed by faculty managers, monitored by SMT. |
| Enrolments fall as the courses under development do not meet student or employer need. | Continual review of local and national skills agenda and government policy. Student and employer surveys held annually. Continual review of local skills requirements. |
| Pay and non-pay inflation increases faster than income increases, leading to an unsustainable financial forecast. | Annual budgeting process identifies tasks required to achieve at least a cost neutral budget. Effective procurement of items and services. Management of college staff expectations. |
| College is unable to recruit and retain the right staff leading to a fall in quality of teaching and learning, and a risk to business operations. | Recruitment team in place. Effective support of new recruits. Annual consideration of a pay award. Comprehensive benefits package. College culture including training opportunities and succession planning. People strategy includes challenging KPI targets around % of vacancies filled within 6 weeks. |
| Failure to comply with safeguarding legislation leads to | There is a designated team of staff who attend OSCB official Designated Safeguarding Lead training and who work across |

Abingdon and Witney College

Strategic report

| | |
|--|---|
| harm, financial or reputational damage, and prosecution. | all areas of the college to ensure that all staff can easily access trained personnel and who maintain a high level of professional knowledge through regular CPD. All staff read Keeping Children Safe in Education Part 1 annually, and SMT and Board members reads Parts 1 and 2. All staff complete Safeguarding and Prevent training as part of their college induction, and mandatory annual updates are provided to all staff at the start of the academic year. |
|--|---|

DISABILITY STATEMENT

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

- 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 the College's prospectuses. Achievements and destinations of students are recorded and collated; and
- Counselling and welfare services are available across the College and promoted in the College's student information.

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

EQUALITY AND DIVERSITY

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

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

Abingdon and Witney College

Strategic report

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

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

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

Informal staff discussion groups run regularly across several 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.

REPUTATION

The Corporation Board believes that the College has an excellent reputation locally and nationally. In June 2024, OfSTED judged the College to be "Good" with "Outstanding" provision for Apprenticeships and learners with High Needs. OfSTED also judged that the Behaviours and Attitudes of the students were "Outstanding" and that the College makes a strong contribution to meeting regional and local skills needs.

Maintaining a quality brand is essential for the College's success in attracting students and building external relationships. The College's marketing team use a variety of marketing media to promote the College. On-going work on the College's website takes place, and social media channels are regularly updated to showcase and promote the work that we do.

STAKEHOLDER RELATIONSHIPS

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

- Learners
- Staff
- Trades unions
- University partners
- Local community
- Local employers and representative bodies
- Local authorities
- Other further education institutions
- Government offices and local economic partnerships
- Education sector funding bodies
- FE Commissioner
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with stakeholders through networking meetings and through the College's 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.

Abingdon and Witney College

Strategic report

SOCIAL, ENVIRONMENTAL AND ETHICAL ARRANGEMENTS

The College recognises the importance of economic, environmental and social sustainability. The new strategic plan identifies as a key activity the need for the College to grow and develop in an environmentally conscientious manner and to demonstrate civic environmental leadership. A College Sustainability Committee and Strategy has been established. The responsibilities of the College's Estates team include the implementation of sustainability and carbon reduction strategies and the measurement of improvements, assisted by the Green team (which includes students and staff from across the College). During 2024/25, the College established a refreshed Sustainability Steering Group, responsible for leading the college's work on sustainability matters. A new post to support this work was also created, and a new Environmental and Sustainability Advisor will start with the college in September 2025.

FUTURE DEVELOPMENTS

The Corporation Board regularly reviews the College's facilities to ensure that future plans in developing a transformative and dynamic curriculum, delivering the highest quality student experience and shaping an environmentally sustainable future are achievable. As such, the Corporation Board is currently considering options for improvements to the College's Witney campus.

The College continues to develop its course offer to ensure that it meets the needs of its employer and community partners, and wider stakeholder groups. Future developments include a focus on additional courses at Level 4 and above, and a focus on reviewing our Access to HE offer. The College will review the requirements of V Levels when more information is known.

On-going expansion of the Net Zero Skills Hub to further meet the needs of the sustainability sector will also continue, as will the review of our adult provision which is refreshed each year. Adult courses under our Oxfordshire Adult Learning brand, will continue to be offered across Oxfordshire in community venues such as village halls and employer premises.

The College will continue to work closely with the district and county councils, prior to devolution, to ensure that it is meeting the skills needs of the area, and will actively engage in any further development of the Local Skills Improvement Plan and the activities of the local Employer Representative Body, the Thames Valley Chamber of Commerce.

GOING CONCERN

Excluding pension reserves, the College has £16,948k (2023/24: £16,284k) of net assets. The College's resilience in coping with the current economic and social climate is reflected in a cash balance of £2,921k (2023/24: £5,063k). The reduction from 2023/24 to 2024/25 is in part due to the cash outflow relating to capital grants received in 2022/23, and in part due to the slightly delayed payment of a £1.4m debtor until August and September 2025. Budgets and financial plans have been prepared on a prudent basis to take account of the impact of inflation and show that the College will remain solvent for the foreseeable future.

After making the appropriate enquiries, the Corporation Board believes that the College has adequate resources to continue in operational existence for the foreseeable future. This includes understanding that £1,840k of the College's current liabilities relate to the release of deferred capital grants and are not a cash item. For these reasons, the Corporation Board continues to adopt the going concern basis in preparing the financial statements.

Abingdon and Witney College

Strategic report

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 15 December 2025 and signed on its behalf by:



Nicolas Pagès
Chair

Abingdon and Witney College

Statement of corporate governance and internal control

The following statement is provided to enable readers of the financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period 1 August 2024 to 31 July 2025 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 Further Education Code of Good Governance ("The Code"); and
- having due regard to the principles and guidance of the UK Corporate Governance Code insofar as it is applicable to the further education sector, whilst not having adopted it.

In the opinion of the Corporation Board, the College complies with all the provisions of the Further Education Code of Good Governance and has complied throughout the year ended 31 July 2025. This opinion is based on a review of compliance by the Nomination Remuneration and Governance Committee and the annual Board self-assessment. The external governance review carried out during 2023/24 also found the Board to be compliant with the relevant governance code. The Corporation Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

In carrying out its responsibilities, the Corporation Board takes full account of the Further Education Code of Good Governance which it formally adopted in March 2025. The Board previously complied with The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which was originally adopted on 25 March 2015. The "old" code was retired 31 July 2024 and fully withdrawn on 31 December 2024.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Corporation Board, 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.

Abingdon and Witney College

Statement of corporate governance and internal control

DETAILS OF THOSE WHO SERVED AS MEMBERS ON THE CORPORATION BOARD

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

| Board member | Date of first term appointment | Date of second term appointment | Status of appointment | Committees served | Current term of office expires / date of resignation | Percentage Attendance |
|-----------------------|--------------------------------|---------------------------------|-----------------------|-------------------|--|-----------------------|
| Adam Mumford | 04 July 2018 | 03 July 2022 | Independent Governor | Audit, NRG | 2 July 2026 | 100% |
| Alan Bark | 05 July 2022 | | Independent Governor | F&GP | 4 July 2026 | 100% |
| Amanda Tilley | 04 March 2024 | | Independent Governor | Audit | 3 March 2028 | 86% |
| Astrid Schloerscheidt | 06 December 2022 | | Independent Governor | CQS | 05 December 2026 | 100% |
| Ben Haxton | 19 January 2023 | | Independent Governor | Audit | 18 January 2027 | 86% |
| Carole Kitching | 11 December 2023 | | Independent Governor | CQS | 31 July 2025 | 71% |
| David Walker | 03 February 2022 | | Independent Governor | Audit | 2 February 2026 | 75% |
| Edward Collett | 05 July 2020 | 5 July 2024 | Staff Governor | F&GP | 4 July 2028 | 63% |
| Clare Forder | 20 March 2025 | | Independent Governor | CQS | 19 March 2029 | 50% |
| Helen Brown | 14 October 2024 | | Staff Governor | CQS | 13 October 2028 | 83% |
| Jacqui Canton | 01 September 2020 | | Ex Officio | CQS, NRG, F&GP | NA | 93% |
| Abigail Kyei | 01 September 2024 | | Student Governor | CQS | 31 July 2025 | 71% |
| Kathryn Schutterlin | 14 October 2020 | | 13 October 2024 | CQS | 13 October 2024 | 100% |
| Lucy Butler | 06 December 2022 | | Independent Governor | CQS | 12 December 2024 | 0% |
| Makenzie Howe Nordal | 04 January 2023 | | Independent Governor | F&GP | 03 July 2025 | 0% |
| Nick Handy | 07 July 2016 | 06 July 2020 | Independent Governor | F&GP, NRG | 5 July 2025 | 71% |
| Nicolas Pagès | 02 July 2019 | 01 July 2023 | Independent Governor | Audit, NRG | 30 June 2027 | 90% |
| Sam Wolfe | 22 March 2021 | 22 March 2025 | Independent Governor | CQS | 21 March 2029 | 86% |
| Amelia Badger | 01 September 2025 | | Student Governor | CQS | 31 July 2027 | n/a |

Abingdon and Witney College

Statement of corporate governance and internal control

| | | | | | | |
|-----------------------|-------------------|--|----------------------|-------|-------------------|-----|
| Graham Caleb | 10 November 2025 | | Independent Governor | Audit | 09 November 2029 | n/a |
| Neil Edwards | 10 November 2025 | | Independent Governor | CQS | 09 November 2029 | n/a |
| Jessie Weavers-Medina | 18 September 2025 | | Independent Governor | F&GP | 17 September 2029 | n/a |

The average attendance at Board meetings was 75% (2023/24: 84%). The average attendance at both Board and Committee meetings was 75 % (2023/24: 78%).

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, 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 that 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 and Governance Advisor to the Corporation Board at the College's registered office as shown on page 2.

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

The Clerk and Governance Advisor to the Corporation Board maintains a register of financial and personal interests of the Governors. The register is available for inspection at the registered office as shown on page 2. A full review of the register of interests was undertaken in September 2025 and new information was included on connected persons, politically exposed persons (PEPs), and related party transactions.

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

Abingdon and Witney College

Statement of corporate governance and internal control

business or other relationship which could materially interfere with the exercise of their judgement. Conflicts of interest are declared when a governor joins the College, reviewed annually and managed as a routine element of all meetings.

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

APPOINTMENTS TO THE CORPORATION BOARD

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 Board which is responsible for the selection and nomination of any new member for the Board's consideration. The NRG Committee Annual Report 2024-2025 was received by the Board on 23 October 2025. The Board is responsible for ensuring that appropriate training is provided as required.

The members of the 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 Association of Colleges' Code. All members are required to reapply at the expiration of their first term which is subsequently approved by the Board. All appointments and reappointments are based on merit and consider the required governor skillset.

TRAINING FOR MEMBERS OF THE COLLEGE BOARD

Members of the Board are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. New members undergo an induction and meet with all members of the Senior Management Team. Training on Safeguarding, Prevent and Health & Safety for all members of the Board are up to date.

Members of the Board can receive the weekly Association of Colleges' Chief Executive's Briefing and the Association of Colleges' webinars were accessed by some members. The Clerk and Governance Advisor has also provided Committee Chairs with access to the Association of Colleges' Committee Chair programmes, and these have been attended.

COLLEGE BOARD PERFORMANCE

In line with the previously agreed schedule of full Board self-assessment and Committee self-assessment, the Board carried out a full self-assessment in July 2025.

In line with the Skills for Jobs White Paper (January 2021), the Board will conduct an annual internal self-assessment of governance and an external governance review every three years. The internal self-assessment in July 2025, referred to above, was reviewed in October 2025 in order to align with this requirement. The external governance review was carried out during 2023/24 with the final report being published in March 2024. A summary of the findings of the external governance review is published on the College's website, along with the name of the external reviewer. The next external governance review will be in Autumn 2026.

The key governance challenges for the next academic year 2025/26 are ensuring that:

- working relationships between the Board, Principal and SMT remain effective;
- governor recruitment takes place to compliment the current skill set; and
- the Board is integral to the monitoring and achievement of the College's Five-Year Strategic Plan as set out in the Strategic Report on page 4.

Abingdon and Witney College

Statement of corporate governance and internal control

NOMINATIONS, REMUNERATION AND GOVERNANCE COMMITTEE

Throughout the year ended 31 July 2025, the College's Nominations, Remuneration and Governance ("NRG") Committee met three times and comprised of six members of the Board. The Committee operates in accordance with written terms of reference approved by the Board.

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

| MEMBERS | Possible | Actual | % |
|-----------------------|----------|--------|------|
| Adam Mumford | 3 | 3 | 100% |
| Alan Bark | 3 | 3 | 100% |
| Astrid Schloerscheidt | 3 | 1 | 33% |
| Jacqui Canton | 3 | 3 | 100% |
| Nick Handy | 3 | 1 | 33% |
| Nicolas Pages | 3 | 3 | 100% |

The NRG Committee is responsible for making recommendations to the Board on the remuneration and benefits of the Accounting Officer and The Clerk and Governance Advisor. On the recommendation of the NRG Committee, the Board approved the Senior Post Holder Remuneration policy in December 2023, which ensures that the Board complies with the requirements of the Association of College's Code.

The NRG Committee approved and submitted their annual report to the Board on 23 October 2025 which set out the key business areas covered in each area of Nominations, Remuneration and Governance.

Details of remuneration of the Accounting Officer for the year ended 31 July 2025 are set out in Note 9 to the financial statements.

AUDIT COMMITTEE

The Audit Committee met three times during 2024/25 and provided a forum for reporting by the College's internal finance department, reporting accountants and financial statements auditors. The reporting accountants and financial statements' auditors have access to the Audit Committee for independent discussion without the presence of College's management. The Audit Committee also received and considered reports from the main FE funding bodies to the extent that they effected the College's business. The Audit Committee comprised three members of the Corporation Board, (excluding the Principal as Accounting Officer and Chair). The Audit Committee operates in accordance with written terms of reference approved by the Board.

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

| MEMBERS | Possible | Actual | % |
|---------------|----------|--------|------|
| Amanda Tilley | 3 | 3 | 100% |
| Ben Haxton | 3 | 2 | 67% |
| Nicolas Pages | 3 | 3 | 100% |

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

Abingdon and Witney College

Statement of corporate governance and internal control

audit recommendations and internal auditors undertake periodic follow-up reviews to ensure such recommendations have been implemented.

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

Internal control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to mitigate risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College's 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 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The 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 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 year ended 31 July 2025 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 page 10. This process is regularly reviewed by the Audit Committee and submitted to the 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 Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;

Abingdon and Witney College

Statement of corporate governance and internal control

- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- 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 (until its retirement), the College Financial Handbook, and the Framework for auditors and reporting accountants of colleges. 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 Board on the recommendation of the Audit Committee. Annually, the internal auditors provide the Board with a report on internal audit activity in the College. The report includes the independent opinion of the internal auditors on the adequacy and effectiveness of the College's system of risk management, controls, and governance processes.

Risks faced by the College

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

Control weaknesses identified

Each year the internal auditors carry out several audits and make recommendations for improvements. During the year, the independent internal auditors carried out five assurance reviews, which were designed to ascertain the extent to which the internal controls in the systems are adequate to ensure that activities and procedures are operating to achieve the College's strategic objectives. Overall, there were no Urgent (level 1) recommendations, four Important (level 2) recommendation, nine Routine (level 3) recommendations, together with three suggested operational effectiveness opportunities. Further information is set out below:

| Review | Evaluation | Recommendations | | | |
|--|-------------|-----------------|-----------|----------|-------------|
| | | Urgent | Important | Routine | Operational |
| Governance – Strategic Planning | Substantial | - | - | 1 | |
| Health and Safety (statutory policies) | Reasonable | - | 2 | 1 | 1 |
| ICT – Cyber Security | Reasonable | - | 2 | 3 | 1 |
| Key Financial Controls – Sales Ledger | Substantial | - | - | 1 | - |
| Business Continuity/Disaster Recovery | Reasonable | - | - | 3 | 1 |
| TOTAL | | - | 4 | 9 | 3 |

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

Responsibilities under accountability agreements

The college has reviewed its policies, procedures and approval processes in line with the 2024-5 college finance handbook and its accountability agreement with the DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Abingdon and Witney College

Statement of corporate governance and internal control

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 that the College has an effective framework for governance and risk management in place. The Audit Committee also believes the College has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2024/25 and up to the date of the approval of the July 2025 financial statements are:

- Termly consideration of the College's Risk Register and the mitigations and controls in place to manage risk;
- Scrutiny of the Internal Audit report findings and management's responses and also agreement and implementation of a new process to carry out early review of Internal Audit reports;
- Proposal to the 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;
- Proposal to the Board of the Financial Statements audit plan for the year;
- Receiving reports from the NRG committee regarding the Board's governance practices.
- Review of the following policies:
 - Anti-Bribery
 - Fraud prevention
 - Value for money
 - Data protection
 - Subcontractor Fees and Charges
 - Risk management (including oversight of its implementation); and
- Review of annual reports on:
 - Value for money
 - Gifts and hospitality
 - Public Interest Disclosure / whistleblowing
 - Use of the college seal and high value contracts
 - Subcontracted Provision;
- 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; and
- Approval of the annual financial statements.

Abingdon and Witney College

Statement of corporate governance and internal control

Review of effectiveness

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

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

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The 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 meeting on 15 December 2025, the Board carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the Senior Management Team and the internal auditors' annual report and taking events since 31 July 2025 into account.

Based on the advice of the Audit Committee and the Principal, as Accounting Officer, the 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 Board on 15 December 2025 and signed on its behalf by



Nicolas Pagès
Chair



Jacqui Canton
Principal and Chief Executive, Accounting Officer

Abingdon and Witney College

Statement of regularity, propriety and compliance

As accounting officer of the corporation of Abingdon and Witney College I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the college's accountability agreement with DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm that I, and the board of governors, are able to identify any material irregular or improper use of all funds by the corporation, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and DfE

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Jacqui Canton
Principal and Chief Executive, Accounting Officer
15 December 2025

Abingdon and Witney College

Statement of responsibilities of Members of the Corporation

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

Within the terms and conditions of the college's accountability agreement, funding agreements and contracts with ESFA and DfE, 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, DfE'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), and
- 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 (as amended), 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, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the corporation, the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

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

Abingdon and Witney College

Statement of responsibilities of Members of the Corporation

derived from the application of public funds from DfE, ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on 15 December 2025 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Nicolas Pagès', with a large, sweeping flourish extending from the end of the signature.

Nicolas Pagès
Chair

Abingdon and Witney College

Independent auditors' report to the members of the Corporation for the year ended 31 July 2025

Opinion

We have audited the financial statements of the Corporation of Abingdon and Witney College (the 'College') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the College's affairs as at 31 July 2025 and College's the surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Governing Body is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the Department for Education requires us to report to you if, in our opinion:

Abingdon and Witney College

Independent auditors' report to the members of the Corporation for the year ended 31 July 2025

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

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

In our opinion, in all material respects,

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

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

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

We have no matters to report arising from this responsibility.

Responsibilities of the Governing Body of Abingdon and Witney College

As explained more fully in the Statement of Responsibilities of the Members of the Corporation, the Governing Body 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 Governing Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

- Obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the college operates in and how the college is complying with the legal and regulatory frameworks;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of College staff in finance functions to identify any instances of non-compliance with laws and regulations;

Abingdon and Witney College

Independent auditors' report to the members of the Corporation for the year ended 31 July 2025

- 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 Funding Agreement published by the Department for Education and our engagement letter. 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 Corporation as a body, for our audit work, for this report, or for the opinions we have formed.



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 16/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Abingdon and Witney College

Independent Reporting Accountant's report on regularity

To: The Corporation of Abingdon and Witney College and Secretary of State for Education

In accordance with the terms of our engagement letter dated 21 August 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Abingdon and Witney College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

This report is made solely to the corporation of Abingdon and Witney College and the Secretary of State for Education 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 Secretary of State 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 Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of Abingdon and Witney College and the reporting accountant

The accounting officer is responsible, under the requirements of the corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that 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 extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. 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 2024 to 31 July 2025 have not been applied for the 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure. The work undertaken to draw to our conclusion includes:

Abingdon and Witney College

Independent Reporting Accountant's report on regularity

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 has not been applied for the purposes intended by Parliament, or that the financial transactions do not conform to the authorities which govern them.



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 16/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Abingdon and Witney College

Statement of comprehensive income and expenditure for the year ended 31 July 2025

| | Note | Total Funds 2025 £'000 | Total Funds 2024 £'000 |
|---|------|---------------------------------|---------------------------------|
| Income from: | | | |
| Funding body grants | 4 | 36,655 | 31,017 |
| Tuition fees and educational contracts | 5 | 1,424 | 1,418 |
| Other grants and contracts | 6 | 375 | 568 |
| Other income | 7 | 848 | 878 |
| Total income | | 39,302 | 33,881 |
| Expenditure on: | | | |
| Staff costs | 8 | 25,855 | 20,947 |
| Other operating expenses | 10 | 9,327 | 9,133 |
| Depreciation | 13 | 2,956 | 2,686 |
| Interest and other finance costs | 11 | 278 | 337 |
| Total expenditure | | 38,416 | 33,103 |
| Profit/(loss) for the year | | 886 | 778 |
| Profit/(loss) on disposal of assets | | - | 2 |
| Actuarial gain/(loss) in respect of pension schemes | 19 | 7,155 | 2,148 |
| Impairment of asset resulting from pension scheme revaluation | 19 | (7,360) | (2,247) |
| Total comprehensive income for the year | | 681 | 681 |
| Represented by: | | | |
| Total unrestricted funds brought forward | | 15,881 | 15,200 |
| Total comprehensive income for the year | | 681 | 681 |
| Total unrestricted funds carried forward | | 16,562 | 15,881 |

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 36 to 55 form part of these financial statements.

Abingdon and Witney College

Statement of changes in reserves as at 31 July 2025

| | Income and Expenditure Account £'000 | Total Funds £'000 |
|---|---|-------------------------|
| As at 31 July 2023 | 15,200 | 15,200 |
| Comprehensive income for the year: | | |
| Profit/(loss) from the income and expenditure account | 780 | 780 |
| Other comprehensive income for the year: | | |
| Actuarial gains/(losses) in respect of pension schemes | 2,148 | 2,148 |
| Impairment of asset resulting from pension scheme valuation | (2,247) | (2,247) |
| Total comprehensive income for the year | 681 | 681 |
| As at 31 July 2024 | 15,881 | 15,881 |
| Comprehensive income for the year: | | |
| Profit/(loss) from the income and expenditure account | 886 | 886 |
| Other comprehensive income for the year: | | |
| Actuarial gains/(losses) in respect of pension schemes | 7,155 | 7,155 |
| Impairment of asset resulting from pension scheme valuation | (7,360) | (7,360) |
| Total comprehensive income for the year | 681 | 681 |
| As at 31 July 2025 | 16,562 | 16,562 |

Abingdon and Witney College

Balance sheet as at 31 July 2025

| | Note | As at 31 July 2025 | | As at 31 July 2024 | |
|---|------|--------------------|---------------|--------------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets | 13 | | <u>44,741</u> | | <u>43,499</u> |
| Current assets | | | | | |
| Stocks | | 134 | | 108 | |
| Trade and other receivables | 14 | 2,771 | | 1,039 | |
| Cash and cash equivalents | | <u>2,921</u> | | <u>5,063</u> | |
| | | 5,826 | | 6,210 | |
| Creditors: amounts falling due within one year | 15 | (6,232) | | (6,595) | |
| Net current assets/(liabilities) | | | (406) | | (385) |
| Total assets less current liabilities | | | <u>44,335</u> | | <u>43,114</u> |
| Creditors: amounts falling due after more than one year | 16 | | (27,387) | | (26,830) |
| Provision for liabilities | | | - | | - |
| Net assets excluding pension liability | | | <u>16,948</u> | | <u>16,284</u> |
| Pension liability | 19 | | (386) | | (403) |
| TOTAL NET ASSETS | | | <u>16,562</u> | | <u>15,881</u> |
| Corporation reserves | | | | | |
| Unrestricted funds: | | | | | |
| Income and expenditure account | | 16,562 | | 15,881 | |
| Total unrestricted funds | | | 16,562 | | 15,881 |
| TOTAL UNRESTRICTED FUNDS | | | <u>16,562</u> | | <u>15,881</u> |

The notes on pages 36 to 55 form part of these financial statements.

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


Nicolas Pagès
Chair


Jacqui Canton
Principal and Chief Executive, Accounting Officer

Date: 15 December 2025

Abingdon and Witney College

Statement of cash flows for the year ended 31 July 2025

| | | 2025 | 2024 |
|--|------|----------------|----------------|
| | Note | £'000 | £'000 |
| Net income (expenditure) for the financial year | | 886 | 778 |
| Adjustments for non-cash items | | | |
| Depreciation charges | 13 | 2,956 | 2,686 |
| Impairment of assets | 13 | - | 74 |
| Release of Government Deferred Grants | 18 | (1,879) | (1,436) |
| Decrease/(Increase) in stock | | (26) | 32 |
| (Increase)/decrease in debtors | 14 | (1,732) | (362) |
| Increase in creditors due within one year | | (691) | 1,000 |
| Increase/(decrease) in creditors due after one year | | - | - |
| Pension costs less contributions payable | | (223) | (135) |
| Adjustments for investing or financing activities | | | |
| (Profit)/loss on sale of assets | | 0 | (2) |
| Interest paid | 11 | 259 | 327 |
| Interest received | 7 | (175) | (161) |
| Net cash provided by operating activities | | (625) | 2,801 |
| Cash flows from investing activities | | | |
| Proceeds from the sale of tangible fixed assets | | - | 2 |
| Purchase of tangible fixed assets | 13 | (4,198) | (2,616) |
| Net cash used in investing activities | | (4,198) | (2,614) |
| Cash flows from financing activities | | | |
| Government Deferred Grants received | 18 | 3,102 | 1,121 |
| Interest paid | 11 | (259) | (327) |
| Interest received | 7 | 176 | 161 |
| New loans | 17 | - | 844 |
| Repayment of amounts borrowed | | (337) | (1,280) |
| Net cash used in financing activities | | 2,682 | 519 |
| Change in cash and cash equivalents in the year | 20 | (2,142) | 706 |
| Cash and cash equivalents at the beginning of the year | | 5,063 | 4,357 |
| Cash and cash equivalents at the end of the year | 20 | 2,921 | 5,063 |

The notes on pages 36 to 55 form part of these financial statements.

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

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 2024/25 and the Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (‘FRS 102’).

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

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

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

The financial statements are prepared in accordance with the historical cost convention as modified by the use of valuations 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 has cash reserves of £2.9m and £3.7m of loans outstanding with bankers and the Department for Education on varying terms. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

2.3 Income

Revenue grant funding

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

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

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

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 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 College. Any unused benefits are accrued and measured as the additional amount the College will be expected to pay as a result of the unused entitlement.

2.5 Redundancy and termination payments

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

2.6 Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the 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 College 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 College 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 College is partially exempt in respect of Value Added Tax so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate where the inputs themselves are tangible

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

fixed assets by nature.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to accounting under the 2019 FE HE SORP, are measured based on 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 based on depreciated replacement cost at the open market value. Building improvements made since incorporation are included in the balance sheet. Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy.

On adoption of FRS 102, the Corporation followed the transitional provision to revalue its land assets at fair value, but not to adopt a policy of revaluations of these assets in the future.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July 2025. Assets under construction are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

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

Plant and equipment

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

Depreciation

Depreciation is charged 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:

| | |
|---|--------------|
| Freehold buildings | 40 years |
| Major refurbishments | 20 years |
| Building improvements | 10 years |
| Motor vehicles | 5 years |
| Computer equipment | 3 to 5 years |
| Furniture, fixtures and educational equipment | 7 years |

A review for impairment of a fixed asset is carried annually to establish if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income.

2.9 Leased assets

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

2.10 Stocks

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

2.11 Trade and other receivables

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

2.12 Cash and cash equivalents

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

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

2.13 Financial liabilities and equity

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

Most of the loans, investments and short-term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price, including transaction costs and subsequently measured at amortised cost. Where the College has a loan with the Department for Education's Education and Skills Funding Agency, these are considered to be financing transactions under paragraph 11.13 of FRS102 as the interest rate is below market interest rates and are initially recorded at the present value of the future payments, discounted at a market rate of interest for a similar debt instrument adjusted for transaction costs. However, the Corporation Board has evaluated that the impact of the accounting for this loan under paragraph 11.13 of FRS102 is not material and therefore has accounted for the loan at the transaction price, as if a basic financial instrument.

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.

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

2.15 Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

2.16 Agency arrangements

The College acts as an agent in the receipt 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 College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

2.17 Financial instruments

The College only holds basic financial instruments. The financial assets and financial liabilities of the College 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 15 and 16. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.18 Finance leases and hire purchase

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

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

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

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

2.19 Pensions

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

Teachers' Pension Scheme

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

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

Local Government Pension Scheme

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

At the year end, the actuarial roll-forward valuation report from the Actuary to the LGPS reported a net pension asset of £9,900k. When the valuation gives rise to a potential asset position, the Corporation Board is required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being "*An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan.*" In using the word "*shall*", the emphasis is placed upon the Corporation Board to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the Corporation Board has considered the value at which the College can benefit from either (1) refunds from the LGPS plan or (2) reduced contributions to the

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

LGPS. As the Corporation Board intends the College to continue to participate in the LGPS, the likelihood of a refund being due from the LGPS has been deemed as remote and not practically achievable. Secondly, the Corporation Board has commissioned an exercise to assess the Minimum Fund Contributions ("MFR") due to the LGPS in order to calculate the net present value of the asset which will be the value of a perpetuity of the future service cost minus the present value of the employer contributions. The outcome of this calculation has shown that the College is unlikely to gain economic benefit from a reduction in future contributions. Accordingly, the Corporation Board has made an impairment charge on the asset reducing the net position at the year ended 31 July 2025 to £Nil. Therefore, no defined benefit pension asset has been included in the financial statements.

2.20 Fund accounting

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

3. Critical accounting estimates and areas of judgement

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

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

Impairment of tangible assets

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

Tangible fixed assets

Assessed the actual lives and residual values of the College's tangible fixed assets which may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Local Government Pension Scheme

The present value of the LGPS defined benefit liability or asset depends on several factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in Note 23, will impact the carrying amount of the pension liability or asset.

Furthermore, a roll-forward approach which projects results from the latest full actuarial valuation performed as at 31 March 2019 has been used by the actuary in valuing the pension liability or asset as at 31 July 2025. 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 or asset. The net pension asset of £9,900k has been impaired to £nil as explained in Note 2.19 above.

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

4. Funding body grants

| | 2025 £'000 | 2024 £000 |
|---|---------------|---------------|
| Recurrent grants | | |
| Department for Education– 16-18 students | 17,232 | 14,973 |
| Department for Education – Adult Skills Fund | 4,562 | 4,551 |
| Department for Education – Apprenticeship funding | 3,813 | 3,199 |
| Specific grants | | |
| Department for Education – Capacity and Delivery | 94 | 87 |
| Department for Education – National Insurance grant | 128 | - |
| Department for Education – Post Budget grant | 183 | - |
| Department for Education Teachers' Pension Scheme | 824 | 593 |
| Release of Government Capital Grants | 1,879 | 1,436 |
| Funding from Local Authorities | 7,935 | 6,167 |
| Office for Students | 5 | 11 |
| | <u>36,655</u> | <u>31,017</u> |

5. Tuition fees and education contracts

| | 2025 £'000 | 2024 £'000 |
|-----------------------------------|---------------|---------------|
| Adult Education Fees | 819 | 856 |
| Apprenticeship Fees and contracts | 27 | 29 |
| Education contracts | 578 | 533 |
| | <u>1,424</u> | <u>1,418</u> |

6. Other grants and contracts

| | 2025 £'000 | 2024 £'000 |
|--------------------|---------------|---------------|
| Other grant income | <u>375</u> | <u>568</u> |

7. Other income

| | 2025 £'000 | 2024 £'000 |
|------------------------------------|---------------|---------------|
| Catering income | 339 | 315 |
| Other income generating activities | 328 | 402 |
| Interest received | 176 | 161 |
| LGPS net interest | 5 | - |
| | <u>848</u> | <u>878</u> |

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

8. Staff costs

| | 2025 £'000 | 2024 £'000 |
|---|---------------|---------------|
| The aggregate gross costs of staff were as follows: | | |
| Wages and salaries | 19,174 | 15,954 |
| Employer's National Insurance costs | 1,975 | 1,428 |
| Employer's contributions to staff pensions | 4,139 | 3,239 |
| Restructuring costs - Non-contractual | 50 | 21 |
| Restructuring costs - Contractual | 59 | 21 |
| | <u>25,397</u> | <u>20,663</u> |
| Contracted out staffing services | 643 | 380 |
| Net service cost/(income) as set out in Note 23 | <u>(185)</u> | <u>(96)</u> |
| | <u>25,855</u> | <u>20,947</u> |

The members of the Corporation Board, other than the Accounting Officer and the staff members, did not receive any remuneration or waived payments from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. The total expenses paid to or on behalf of the members of the Corporation Board during the year was £60 (2023/24: nil).

The College paid 9 severance payments in the year, disclosed in the following bands:

| Severance payment amount | Number of severance payments made |
|--------------------------|-----------------------------------|
| £0 - £25,000 | 7 |
| £25,001 - £50,000 | 2 |
| £50,001 - £100,000 | 0 |
| £100,001 - £150,000 | 0 |
| £150,001 + | 0 |

Included in staff restructuring costs are four special severance payments totalling £49,641 (2023/24 £21,290). Individually, the payments were £21,208, £18,558, £7,072 and £2,804.

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

The average monthly number of employees, including Key Management Personnel, employed by the College during the year was:

| | 2024/25 | 2023/24 restated |
|----------------|------------|---------------------|
| Teaching staff | 293 | 247 |
| Support staff | 400 | 355 |
| | <u>693</u> | <u>602</u> |

Staff employed by the College have increased by 15% in the year. This is consistent with the growth in income.

The average Full Time Equivalent number of employees, including Key Management Personnel, employed by the College during the year was:

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

| | 2024/25 | 2023/24 restated |
|----------------|---------|---------------------|
| Teaching staff | 194 | 165 |
| Support staff | 337 | 287 |
| | 531 | 452 |

Twenty-two members of staff (2023/24: sixteen members), excluding Key Management Personnel, received annual employee benefits of more than £60,000 as set out in Note 9 below.

9. Key Management Personnel

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

- Principal and Chief Executive Officer, who is also the Accounting Officer
- Deputy Principal and Vice Principal Student Engagement
- Vice Principal Curriculum (Young People) and Quality
- Vice Principal Curriculum (Commercial and Adults) and Innovation (resigned 13/06/25)
- Vice Principal People and Culture (appointed 05/08/24)
- Vice Principal Funding Planning and Systems Improvement
- Finance Director

The number of Key Management Personnel including the Accounting Officer was:

| 2024/25 | 2023/24 |
|---------|---------|
| No | No |
| 7 | 6 |

The total Key Management Personnel gross remuneration, including the Accounting Officer who is also the highest paid member of the College's staff is made up as follows:

| | 2024/25 £'000 | 2023/24 £'000 |
|----------------------------------|------------------|------------------|
| Salaries | 719 | 578 |
| Benefits in Kind | 16 | - |
| Employer's National Insurance | 95 | 71 |
| Employer's pension contributions | 124 | 104 |
| | <u>954</u> | <u>753</u> |

The Principal's gross remuneration is made up as follows:

| | 2024/25 £'000 | 2023/24 £'000 |
|----------------------------------|------------------|------------------|
| Salary | 157 | 150 |
| Employer's pension contributions | 30 | 30 |
| Benefits in kind | - | - |
| Total emoluments | <u>187</u> | <u>180</u> |
| Employer's National Insurance | 21 | 19 |
| | <u>208</u> | <u>199</u> |

The relationship of the Principal's emoluments to that of staff, expressed as a multiple is:

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

| | 2025 | 2024 |
|--|------|------|
| Multiple of basic salary to median pay of all salaried staff on an FTE basis as at 31 July 2025 | 4.7 | 5.0 |
| Multiple of total emoluments to median pay of all salaried staff on a FTE basis as at 31 July 2025 | 5.4 | 5.9 |

The calculations only include salaried staff of the College and exclude Hourly Paid Lecturers, atypical workers, contractors and agency staff.

The NRG Committee has adopted guidance provided by Association of Colleges' "Senior Post Holder Remuneration Code" July 2019 and, from the date of reclassification into the central government sector in November 2022, also the DfE's "Senior pay controls for colleges" dated July 2025.

The NRG Committee assesses the remuneration of the Principal in line with the above guidelines, using the Association of Colleges' Senior Pay Survey as its comparator. The remuneration of the Principal is subject to annual review by the NRG Committee.

The remuneration of the Principal is also internally benchmarked against other FE Colleges of similar size and complexity in the locality and reviewed in the context of the targets set by the NRG Committee for all Key Personnel roles. The remuneration of the other Key Management Personnel is assessed by the Principal in line with the College's policies.

The number of Key Management Personnel and other staff who received annual emoluments on a full-time equivalent basis, excluding employer contributions to national insurance and pensions but including benefits in kind, of £60,000 or more in the following ranges was:

| | Key Management Personnel | | Other staff | |
|--------------------------------|--------------------------|----------|-------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| | No | No | No | No |
| £60,001 to £65,000 per annum | - | - | 14 | 10 |
| £65,001 to £70,000 per annum | - | - | 3 | - |
| £70,001 to £75,000 per annum | - | - | 5 | 5 |
| £75,001 to £80,000 per annum | - | 1 | - | 1 |
| £80,001 to £85,000 per annum | 2 | 2 | - | - |
| £85,001 to £90,000 per annum | - | 1 | - | - |
| £90,001 to £95,000 per annum | - | - | - | - |
| £95,001 to £100,000 per annum | 1 | 1 | - | - |
| £100,001 to £105,000 per annum | - | - | - | - |
| £105,001 to £110,000 per annum | 2 | - | - | - |
| £115,001 to £120,000 per annum | 1 | - | - | - |
| £145,001 to £150,000 per annum | - | 1 | - | - |
| £155,001 to £160,000 per annum | 1 | - | - | - |
| | 7 | 6 | 22 | 16 |

This includes two part-time members of staff (2023/24: Five) who received less than £60,000 in the year but would have received at least £60,000 on a full-time basis.

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

Compensation for loss of office paid to one former Key Management Personnel:

| | 2025 | 2024 |
|--|-------|-------|
| | £'000 | £'000 |
| Compensation paid to former post-holder | 21 | - |
| Estimated value of other benefits including pension benefits | 21 | - |

Compensation for loss of office paid to former Higher Paid Staff member:

| | 2025 | 2024 |
|--|-------|-------|
| | £'000 | £'000 |
| Compensation paid to former post-holder | 19 | - |
| Estimated value of other benefits including pension benefits | 18 | - |

The compensation paid to former Key Management Personnel or Higher Paid Staff member were not required to be approved by the College's NRG Committee.

10. Other operating expenses

| | 2025 | 2024 |
|--------------------|--------------|--------------|
| | £'000 | £'000 |
| Teaching costs | 4,301 | 4,357 |
| Non-teaching costs | 3,124 | 2,366 |
| Estates costs | 1,902 | 2,410 |
| | <u>9,327</u> | <u>9,133</u> |

Other operating expenses include:

| | 2025 | 2024 |
|---------------------------------------|-------|-------|
| | £'000 | £'000 |
| Auditors' remuneration: | | |
| - Audit of the financial statements | 30 | 23 |
| - Other services | 3 | 5 |
| Internal audit fees | 29 | 29 |
| Hire of assets under operating leases | 64 | 102 |

11. Interest and other finance costs

| | 2025 | 2024 |
|---|------------|------------|
| | £'000 | £'000 |
| On bank loans and overdrafts and other loans | 254 | 323 |
| On finance leases | 5 | 4 |
| Interest on Enhanced Pension Provision (Note 23) | 19 | 22 |
| Net interest on LGPS pension assets and obligations (Note 23) | (5) | (12) |
| | <u>273</u> | <u>337</u> |

12. Taxation

The Corporation Board does not believe that the College is liable for any corporation tax arising out of its activities during the year

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

13. Tangible fixed assets

| | Freehold land and buildings | Long-term leasehold land and buildings | Equipment | Assets under construction | Total |
|--------------------------|-----------------------------------|---|--------------|------------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | |
| As at 1 August 2024 | 62,575 | 1,057 | 8,502 | | 72,134 |
| Additions | 988 | - | 1,286 | 1,924 | 4,198 |
| Assets written off | - | - | - | | - |
| Assets disposed of | - | - | - | | - |
| As at 31 July 2025 | <u>63,563</u> | <u>1,057</u> | <u>9,788</u> | <u>1,924</u> | <u>76,332</u> |
| Depreciation | | | | | |
| As at 1 August 2024 | 21,199 | 243 | 7,193 | | 28,635 |
| Charge for the year | 1,956 | 12 | 988 | | 2,956 |
| Assets written off | - | - | - | | - |
| Assets disposed of | - | - | - | | - |
| As at 31 July 2025 | <u>23,155</u> | <u>255</u> | <u>8,181</u> | <u>-</u> | <u>31,591</u> |
| Net book value | | | | | |
| As at 31 July 2025 | <u>40,408</u> | <u>802</u> | <u>1,607</u> | <u>1,924</u> | <u>44,741</u> |
| As at 31 July 2024 | <u>41,376</u> | <u>814</u> | <u>1,309</u> | <u>-</u> | <u>43,499</u> |

The net book value of £44,741k includes an amount of £44k (2023/24: £52k) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £9k (2023/24: £9k).

14. Debtors

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Due within one year: | | |
| Trade debtors | 287 | 166 |
| Other debtors | 76 | 237 |
| Prepayments and accrued income | 1,959 | 419 |
| Amounts owed by Department for Education | 449 | 217 |
| | <u>2,771</u> | <u>1,039</u> |

Total bad debts written off in the year were £2,632 (2023/24: £16,000) There were no bad debts written-off above the HM Treasury Managing Public Money threshold of £5,000.

The College did not enter into any guarantees, letters of comfort or indemnities during the year.

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

15. Creditors: amounts falling due within one year

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Bank loans and overdrafts (Note 17) | 337 | 337 |
| Obligations under finance leases | 44 | 53 |
| Trade creditors | 898 | 523 |
| Taxation and social security | 463 | 346 |
| Accruals and deferred income | 1,691 | 2,500 |
| Holiday pay accrual | 191 | 255 |
| Amounts owed to Education and Skills Funding Agency | - | 503 |
| Other creditors | 768 | 566 |
| Deferred income: Government Capital Grants (Note 18) | 1,840 | 1,512 |
| | 6,232 | 6,595 |

16. Creditors: amounts falling due after more than one year

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Bank loans (Note 17) | 3,379 | 3,717 |
| Deferred income: Government Capital Grants (Note 18) | 24,008 | 23,113 |
| | 27,387 | 26,830 |

17. Analysis of bank loans

| | 2025 £'000 | 2024 £'000 |
|--------------------------------|---------------|---------------|
| Bank loans: | | |
| Due within one year | 337 | 337 |
| Due between one and two years | 2,761 | 337 |
| Due between two and five years | 225 | 1,011 |
| Due in more than five years | 393 | 2,368 |
| | 3,716 | 4,053 |

On 11 July 2024, the College refinanced a bank loan with Barclays Bank plc with the Department for Education. The value at 31 July 2025 is £769k. This loan is repayable in 45 quarterly instalments until January 2035 with an interest set annually on 1 April at the Public Works Loan Board Standard Rate. This loan is unsecured. The Corporation Board has evaluated that the impact of accounting for this loan under paragraph 11.13 of FRS102 is not material.

The remaining £2,947k of bank loans as at 31 July 2025 are with Barclays Bank plc and are repayable in quarterly instalments until October 2026 with an interest rate of 2.2% over the Bank of England base rate. These bank loans are secured on a portion of the freehold land and buildings of the College. The College is moving forward with the DfE to re-finance these loans with them in October 2026.

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

18. Analysis of Government Capital Grants

The movement on the deferred income relating to Government Capital Grants can be summarised as follows:

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Balance as at 1 August 2024 | 24,625 | 24,940 |
| Government Grants received in the year | 3,102 | 1,121 |
| Government Grants released to income | (1,879) | (1,436) |
| Balance as at 31 July 2025 | 25,848 | 24,625 |

19. Pension liability

| | LGPS Defined Benefits £'000 | Enhanced Pensions £'000 | Total Provision £'000 |
|--|--------------------------------------|-------------------------------|-----------------------------|
| Balance as at 1 August 2024 | - | 403 | 403 |
| Employer contributions paid by the College (Note 23) | (1,887) | (51) | (1,938) |
| Net interest costs/(income) (Note 23) | (5) | 19 | 14 |
| Current service cost (Note 23) | 1,702 | - | 1,702 |
| Net changes in assumptions (Note 23) | (7,170) | 15 | (7,155) |
| Impairment of asset (Note 23) | 7,360 | - | 7,360 |
| Balance as at 31 July 2025 | - | 386 | 386 |

The Defined Benefit Pension Scheme provision relates to the College's liability under the membership of the Local Government Pension Scheme. This provision has been recalculated by an independent financial advisor in accordance with instructions issued by the College. See Note 23.

The Enhanced Pensions provision relates to eighteen staff who have left the College's employment and the associated pension and reorganisation cost commitments from which the College cannot reasonably withdraw. This provision has been recalculated by an independent financial advisor in accordance with instructions issued by Association of Colleges. See Note 23.

20. Analysis of changes in net debt

| | As at 1 August 2024 £'000 | Non- cash changes £'000 | Cash flows £'000 | As at 31 July 2025 £'000 |
|--|------------------------------------|----------------------------------|------------------------|-----------------------------------|
| Cash at bank and in hand | 5,063 | - | (2,142) | 2,921 |
| Loans falling due within one year | (337) | - | - | (337) |
| Loans falling due after more than one year | (3,716) | - | 337 | (3,379) |
| Finance leases | (53) | - | 9 | (44) |
| | 957 | - | (1,796) | (839) |

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

21. Financial commitments

As at 31 July 2025, the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows

| | 2025 £'000 | 2024 £'000 |
|--|---------------------|---------------------|
| Land and buildings: | | |
| Not later than 1 year | 203 | 137 |
| Later than 1 year and not later than 5 years | 606 | 549 |
| Later than 5 years | <u>1,338</u> | <u>1,475</u> |
| | 2,147 | 2,161 |
| Other assets: | | |
| Not later than 1 year | 66 | 81 |
| Later than 1 year and not later than 5 years | 25 | 88 |
| Later than 5 years | <u>-</u> | <u>-</u> |
| | 91 | 169 |
| Total future minimum lease payments | <u>2,238</u> | <u>2,330</u> |

22. Capital commitments

As at 31 July 2025, the College had capital commitments contracted for of £2,661K (2023/24: £1,862k).

23. Pension obligations

The College's employees belong to two post-employment benefit plans: the Teachers' Pension Scheme England and Wales ("TPS") for academic and related staff; and the Local Government Pension Scheme ("LGPS") for non-teaching staff. Both are multi-employer defined-benefit plans. The College also has an unfunded obligation to eighteen staff who have left the College's employment, as set out in the Enhance Pension Provision in Note 19.

The total cost to the College of pensions for the year was as follows:

| | Note | 2025 £'000 | 2024 £'000 |
|--|------|---------------|---------------|
| Teachers' Pension Scheme | | | |
| Employer contributions paid by College | | 2,243 | 1,611 |
| Local Government Pension Scheme | | | |
| Employer contributions paid by College | | 1,887 | 1,607 |
| Current service cost of current pensioners | | (1,702) | (1,511) |
| Net service income | 8 | 185 | 96 |
| Net interest income on LGPS assets and obligations | | 5 | 12 |
| Enhanced Pensions Provision – Interest cost | 11 | 19 | 22 |

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

Teachers' Pension Scheme

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

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

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

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

The latest actuarial review and valuation of the TPS was carried with an effective date as at 31 March 2020. The valuation report was published by the Department for Education ("DfE") on 27 October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future pension benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from 1 April 2024 onwards (compared to 23.68% previously). The DfE agreed to pay the College a "TPS Employee Contribution Grant" to cover the additional costs during the 2024/25 and 2025/26 academic years.

A full copy of the March 2020 valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. The next full actual review and valuation was carried out in 2024 but the results have not yet been published.

The College paid employer pension contributions to the TPS in the year amounting to £2,243k (2023/24: £1,611k) and, as at the year-end, £252k (2023/24: £196k) was accrued in respect of contributions to this scheme.

Local Government Pension Scheme

The LGPS is a government funded defined-benefit plan with separate funds, administered by Oxfordshire County Council, for the members of the College. The following information is based on a full actual actuarial valuation of the fund as at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary, Hymans Robertson LLP. The next full actuarial valuation of the fund will be as at 31 March 2025, with the new employer contribution rates applicable from 1 April 2026.

The amounts included in the balance sheet of the College are as follows:

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

| | £'000 |
|--|-----------------|
| Fair value of the College's share of LGPS assets -see below | 42,015 |
| Present value of College's LGPS obligations - see below | (32,115) |
| Less impairment for asset ceiling adjustment – 22/23 and 23/24 and 24/25 – see below | (9,900) |
| College's liability/asset in respect of LGPS as at 31 July 2025 | <u>0</u> |

The amount for the College's liabilities are based on the following assumptions:

| | 2025 | 2024 |
|---|--------------|-------------|
| Pension increase rate for pensioners | 2.75% | 2.75% |
| Salary increase rate for staff | 2.75% | 2.75% |
| Discount rate for liabilities | 5.80% | 5.05% |
| Life expectancy at 65 years: | | |
| Current pensioners - Female | 24.5 | 24.4 |
| Current pensioners - Male | 21.0 | 20.8 |
| Future pensioners retiring in 20 years - Female | 25.7 | 25.6 |
| Future pensioners retiring in 20 years - Male | 22.3 | 22.0 |

The amount for the College's assets are based on the value provided to Hymans Roberston by the LGPS and represent approximately 1% of the entire Fund.

| | £'000 |
|---|----------------------|
| Opening fair value of College's share of LGPS assets as at 1 August 2024 | 37,387 |
| Interest income | 1,905 |
| Contributions from employers | 1,887 |
| Contributions from members of the scheme (employees) | 606 |
| Benefits paid by the LGPS | (1,000) |
| Expected return on assets | 1,230 |
| Closing fair value of College's share of LGPS assets as at 1 August 2025 | <u>42,015</u> |

| | £'000 |
|--|------------------------|
| Opening present value of College's LGPS obligations as at 1 August 2024 | (34,968) |
| Contributions from members of the scheme (employees) | (606) |
| Benefits paid by the LGPS | 1,000 |
| Interest cost on defined benefit obligations | (1,779) |
| Current service cost | (1,702) |
| Net changes in assumptions | 5,940 |
| Closing present value of College's LGPS obligations as at 1 August 2025 | <u>(32,115)</u> |

The estimated categorisation of the College's share of the fair value of LGPS assets as at 31 July is as follows:

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

| | 2025 £'000 | 2024 £'000 |
|------------------------------|---------------|---------------|
| Equities | 28,991 | 26,919 |
| Corporate bonds | 8,823 | 6,730 |
| Property | 3,361 | 3,365 |
| Cash and other liquid assets | 840 | 373 |
| | 42,015 | 37,387 |

The amounts included in the Statement of comprehensive income of the College for the year ended 31 July are as follows:

| | Note | 2025 £'000 | 2024 £'000 |
|--|------|---------------|---------------|
| Cost/(income) included in Staff costs | | | |
| Current service cost | | 1,702 | 1,511 |
| Cost/(income) recognised elsewhere in the Statement of comprehensive income | | | |
| Net interest on LGPS assets and obligations | 19 | 5 | (12) |
| Actuarial gain/(loss) | 19 | (7,170) | (2,139) |
| Impairment of asset resulting from LGPS revaluation | 19 | 7,481 | 2,247 |

The College paid pension contributions to the LGPS in the year amounting to £2,492k (2024/25: £2,115k) of which employer's contributions totalled £1,887k and employees' contributions totalled £606k. The net impact on the Statement of comprehensive income was therefore income of £185K (2023/24: cost of £96k) being reversed employers' contributions of £1,887K less current service costs of £1,702k. As at the year-end, £205k (2023/24: £188k) was accrued in respect of contributions to this scheme.

The agreed employer contribution rate was 20.0% from 1 April 2024 to 31 March 2025 and 18.8% from 1 April 2025 onwards. Employee rates vary from 5.5% to 12.5% depending on the salary level.

Enhanced Pensions Provision

The College has an unfunded pension liability for eighteen staff that have left the College's employ and the associated pension and reorganisation cost commitments from which the College cannot reasonably withdraw. The unfunded provision is calculated annually by an independent actuary on instructions from the Association of Colleges, in order to assist the College with the inclusion of this liability in the financial statements.

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Cost/(income) included in the Statement of comprehensive income | | |
| Net interest cost on obligations | 19 | 22 |
| Actuarial gain/(loss) | 15 | 9 |

24. Related party transactions

Owing to the nature of the College's operations and the members of the Corporation Board being drawn from local public and private sector organisations, it is inevitable that transactions will take

Abingdon and Witney College

Notes to the financial statements for the year ended 31 July 2025

place with organisations in which a member of the Corporation Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The Principal was a board member of the Oxfordshire Local Enterprise Partnership (OxLEP) until 17 December 2024 when it was disbanded. During 2024/25, the College supplied services to OxLEP totalling £79,616 (2023/24: £nil) but by 31 July 2025 had not received payment.

The Principal and the Deputy Principal are also members of Abingdon Learning Trust. The College supplied services to the Abingdon Learning Trust totalling £13,118 during the year (2023/24: £1,999).

Several governors are employed by Oxford University. The College provided training to apprentices employed by the University in the year. Income from this training was paid to the College by the Department for Education and totalled £402,003 (2023/24 £359,432) and received services from the University totalling £2,000 (2023/24 £0)

One Governor is employed by Oxford Brookes University. The College supplied services to the University totalling £403,893 (2023/24: £475,222) and received services from the University totalling £91,670 (2023/24: £93,375)

One Governor is employed by Wood Green School. The College supplied services to the school totalling £34,693 (2023/24: £44,396)

One Governor is employed by The Oxford Academy. The College supplied services to the academy totalling £2,163 (2023/24 £nil).

One Governor is employed by Owen Mumford. The College supplied services to the company totalling £1,999 (2023/24 £0)

One Governor is employed by Balliol College. The College provided training to apprentices employed by the University in the year and received income from the DfE totalling £2,400. The governor also attended a course at the College for which they paid £72.

25. Learner support funds – Amounts disbursed as agent

The college distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE.

In the accounting period ended 31 July 2025, the college received a total of £164k and disbursed £164k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £0k for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £11k, of which £0k relates to funds that are in scope to be returned to DfE in March 2026.

Comparatives for the accounting period ended 31 July 2024 are £158k received from DfE, £158k disbursed to learners after charging £0k for administration costs, and total cumulative unspent funds of £11k, of which £0k was repaid to DfE.

26. Events after the reporting period

There are no events after the reporting period that the Corporation Board believes require disclosure.