

The College of West Anglia

**Report and Financial Statements
for the year ended 31 July 2022**

CONTENTS

	Page Number
Reference and Administrative Details	1
Members' Report	2
Statement of Corporate Governance and Internal Control	10
Governing Body's statement on the College's regularity, propriety and compliance with Funding Body terms and conditions of funding	19
Statement of Responsibilities of the Members of the Corporation	20
Independent auditor's report to the Corporation of The College of West Anglia	21
Reporting Accountant's Report on Regularity to the Corporation of The College of West Anglia and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)	25
Consolidated Statements of Comprehensive Income	27
Consolidated and College Statement of Changes in Reserves	28
Consolidated and College Balance Sheet	29
Consolidated Statement of Cash Flows	30
Notes to the Accounts	31

Reference and Administrative Details

Board of Governors

A full list of Governors is given on pages 11 to 13 of these financial statements.

Senior Management Team

David Pomfret	Principal and CEO; Accounting officer
Ruth Harrison	Vice Principal, Curriculum and Quality (resigned 15 June 2022)
Kerry Heathcote	Vice Principal, Curriculum and Quality (appointed 13 June 2022)
Paul Harrison	Vice Principal, Corporate Services
Paul O'Shea	Assistant Principal Student Services
Robert Petto	Assistant Principal Funding and Performance

The Clerk to the Corporation is Stephen Halls.

Principal Office

King's Lynn Campus
Tennyson Avenue
King's Lynn
Norfolk
PE30 2QW

Professional Advisers:

Financial Statement Auditor

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Internal Auditor

Scrutton Bland
Fitzroy House
Crown Street
Ipswich
IP1 3LG

Banker

Lloyds Bank plc
3 North Brink
Wisbech
PE13 1JT

Solicitor

Birketts LLP
Kingfisher House
1 Gilders Way
Norwich
Norfolk
NR3 1UB

Members' Report

OBJECTIVES AND STRATEGY

The governing body presents its report and the audited financial statements for the year ended 31 July 2022.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting the business of Norfolk College of Arts & Technology. On 3 July 1998 the Secretary of State granted consent to the Corporation to change its name to the College of West Anglia.

The College is an exempt charity for the purposes of the Charities Act 2011.

Mission, Vision, Strategy and Objectives

The College's vision, as approved by its members, is - "Changing lives through learning".

In July 2021 the Corporation approved the College's Strategic Plan covering the period 2021 - 2024. The College's strategic ambitions under this strategy were to:

- Deliver outstanding learner success
- Impact positively on local social and economic prosperity
- Develop a high-performance culture
- Use our resources to achieve maximum impact

The three-year strategy is reviewed and updated each year and forms the basis for annual objective setting. The Corporation monitors performance against these strategic objectives throughout the year via a comprehensive suite of strategic targets.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Financial

The Group has net assets of £21.0m (after accounting for a £1.6m pension liability). At the year-end, there was a cash balance of £8.2m. The College has no long-term debt (excluding deferred government grants): a long-standing bank loan (with a year-end balance of £869k) is due to be repaid in July 2023.

Tangible resources include three main College sites in King's Lynn, Cambridge and Wisbech.

People

The College employs 684 people, of whom 401 are engaged in teaching and teaching support.

Student numbers

In 2021/22, the College delivered activity that generated £23.5m in main allocations (2020/21 - £23.1m). The College enrolled approximately 5,750 students. The student population included 121 14-16 year olds, 2,647 16-18 year olds, 1,022 apprentices, 282 higher education students and 1,671 adult learners.

Stakeholders

The College works successfully in partnership with many local employers, local authorities and local schools and academy trusts. The College also works with Anglia Ruskin University through the University Centre West Anglia (UCWA) to increase participation in higher education locally and across the New Anglia LEP and Cambridgeshire and Peterborough Combined Authority areas. Maintaining a quality brand is essential to the College's success in attracting students and enhancing and developing external relationships.

Members' Report *(continued)*

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

- Students and their parents
- Staff and their trades unions
- The Department for Education and other Government departments and agencies
- The FE Commissioner
- Anglia Ruskin University (the College's higher education partner)
- Local Employers
- New Anglia Local Enterprise Partnership and Cambridgeshire and Peterborough Combined Authority
- The local community including feeder schools, the Queen Elizabeth Hospital in King's Lynn, voluntary organisations and the local authorities that cover our geographical locations
- Other FE institutions
- A number of trade and professional bodies such as local Chambers of Commerce

The College recognises the importance of these relationships and engages in regular communication as required with stakeholders to keep them informed.

Public Benefit

The College of West Anglia is an exempt charity under Part 3 of the Charities Act 2011 and, following machinery of government changes introduced in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 11 to 13.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard to the Charity Commission's guidance on public benefit and particularly to the 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 many identifiable public benefits through the advancement of education which is included in the delivery of its strategic plan and its public value statement. We aim to create public value through, amongst other things:

- Working with learners to develop their skills and personal confidence and raising their aspirations and employment opportunities
- Displaying and promoting local leadership through our relationships and collaboration with other organisations leading to the enrichment of the economic, social, cultural and physical well-being of our communities

DEVELOPMENT AND PERFORMANCE

Financial Results

The Group generated a deficit before other gains and losses of £2.7m (2020/21 - deficit of £1.4m). The decline in financial performance from the prior year was largely due to increases in staff (up by £1.6m) and teaching costs (up by £0.6m) offset by an overall increase in income (£1.0m).

The total comprehensive gain for the year (£35.2m) includes a small surplus on the disposal of equipment (£14k) (against a surplus on disposal of £30k in 2020/21) and an actuarial gain on pension schemes of £37.8m (compared to an actuarial deficit of £0.3m in 2020/21).

At the balance sheet date the Group held net current assets of £1.8m and net assets of £22.6m (£3.1m net current assets and £14.2m net liabilities in 2020/21), which includes a defined benefit pension liability of £14k (2020/21 - £36.3m).

A number of income lines fell short of budget in the year. Most significantly, adult income missed the budget by £0.6m and commercial income by £0.4m. To a degree, these may reflect a reluctance of people to mix in groups

Members' Report *(continued)*

as a result of the pandemic. However, there is an undoubted need for the College to refresh and reinvigorate its adult offer. The coronavirus has had a direct impact on property-related costs because we continued to run air handling plant in buildings at full capacity throughout the year.

Cash Flows and Liquidity

The College's net cash inflow from operating activities was £0.9m (inflow of £3.5m in 2020/21). Overall, cash levels decreased by £1.2m in 2021/22 (increase of £3.1m in 2020/21).

The College has a loan from Lloyds Bank plc. The balance on the loan was £1.8m at the beginning of 2020/21 reducing to £0.9m by the end of the year. The loan is due to be repaid in full on 3rd July 2023.

Sources of Income

The Group has significant reliance on public sector funding bodies as sources of funding primarily the Education and Skills Funding Agency ("ESFA") and the Cambridgeshire and Peterborough Combined Authority ("CPCA"). In 2021/22, these bodies provided 80% of the Group's total income (81% in 2020/21).

Group Companies

The College has two subsidiary companies, CWA Developments Limited and CWA Enterprises Limited. The principal activities of CWA Developments Limited are to build and refurbish College property, whilst CWA Enterprises Limited carries out commercial training and related activities. Any distributable surpluses generated by the subsidiaries are transferred to the College under deeds of covenant. In the current year, CWA Developments Limited made a loss of £4,736 (2021: loss of £5,260) and CWA Enterprises Limited made a loss of £28,881 (2021: loss of £21,152) after a gift aid distribution to the College.

FUTURE PROSPECTS

Future Developments

The College has made significant investment in its facilities over recent years and the quality of the estate is now generally good. However, there are components of buildings and elements of IT infrastructure that require improvement.

The College continues to review and develop its curriculum offer. In 2020/21, in collaboration with the Queen Elizabeth Hospital in King's Lynn and the Borough Council of King's Lynn and West Norfolk, we have established a School of Nursing Studies. We received Nursing and Midwifery Council accreditation for the School in March 2022 and it welcomed its first students in September 2022. We are also in the process of seeking funding to build a Green Energy Centre at our campus in Wisbech. This will be a focus for the provision of construction and wider skills related to the low carbon agenda.

Financial Plan

The College has been operating in challenging financial circumstances. The numbers of 16 to 19 year-olds and young adults across most of the areas served by the College have been in decline over many years. Given that the majority of funding received by the College relates to further education student numbers through ESFA grants, these demographic pressures have placed pressure on the College's financial position. The College has addressed this over the years by reducing costs and increasing other income streams. Key areas of focus for diversifying income have been higher education, apprenticeships and other commercial income. Investment in marketing has also helped to maintain market share in FE against competition from other providers. However, the demographic decline eased in 2019/20 and, because of the ESFA's lagged funding model for study programmes, we experienced the financial benefit of increased student numbers from 2020/21 onwards. This, together with a continuing focus on cost controls, has resulted in improved financial health. The College's Financial Health based on a model developed by the ESFA which considers profitability, liquidity and debt

Members' Report *(continued)*

servicing capacity has improved from "Requires Improvement" in 2018/19 to "Good" in 2019/20 and "Outstanding" in 2020/22. These financial statements are consistent with a "Good" result.

The College has established a five-year Medium Term Financial Plan (MTFP). The MTFP has been an important tool in informing decision making. The current version shows a continued improving trend. Financial modelling over the period of the MTFP indicates that the College's cash position will remain positive (despite the required repayment, by July 2023, of £0.9m which is the outstanding balance of a bank loan) and that the College will retain a minimum ESFA Financial Health rating of "Good" throughout the period.

Treasury Policies and Objectives

Treasury management is the management of the College's cash flows and its banking. It requires the effective management of the risks associated with these activities and the pursuit of optimum performance consistent with the College's risk appetite.

The College has a treasury management policy included in the Governance and Financial Management Regulations.

The Principal (who is the Accounting Officer) and the Vice Principal Corporate Services, acting jointly, are authorised to maintain and use loan or overdraft facilities up to £1.5m. The Finance and General Purposes Committee's approval is required for all borrowing in excess of £1.5m and the Finance and General Purposes Committee may approve, in advance, borrowing up to a defined limit or a range of limits profiled over time.

Going Concern

Governors have paid attention to the financial pressures facing the College, including adverse economic factors such as inflation, and the following mitigating factors:

- Development of a robust Medium-Term Financial Plan allied to investment in potential growth areas such as a proposed new School of Nursing Studies
- Improving 16-19 year old demographics in the College's areas of operations
- The positive cash position of the College (£8.2m at 31 July 2022)
- A full order book for commercial training activities and recent success in winning apprenticeship work with significant regional employers

Considering these factors in the round, the Corporation considers that the College has adequate resources to continue in operation for a period of at least 12 months. For this reason, it continues to adopt the going concern basis in preparing these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The College does not have a specific risk management forum but instead uses the College Leadership Team (which includes the Senior Management Team) to review risks and the risk register so that it remains a useful and contemporary document. This has exposed the risk register and therefore risk management to a wider audience which has served to improve the embedding of risk management.

The College Leadership Team undertakes a comprehensive review of the risks to which the College is exposed and the risk register is updated on a regular basis. The risk register records the key risks using a consistent and transparent grading system which identifies the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Responsibility for monitoring actions to mitigate the risks arising is allocated to specific managers.

In addition to the bi-annual review, the College Leadership Team also consider any risks which may arise as a result of a new area of work being undertaken by the College and, if required, these risks can be added at any time to the risk register. After each bi-annual review, the risk register is considered and approved by the Audit Committee which then reports in turn to the Corporation.

Members' Report *(continued)*

Outlined below are the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Maintaining financial health

Risks mitigated through the production and monitoring of:

- Annual budgets
- Five-year financial plan
- Cash flow forecasts
- Curriculum planning arrangements that establish and challenge commercial basis of provision
- Key financial performance metrics

Maintaining quality in teaching and learning

Risks mitigated through:

- Investment in CPD for classroom-based staff
- Management oversight of teaching, learning and assessment
- Production of a Quality Improvement Plan
- Improvement Action Plans for areas of provision requiring rapid improvement
- Monitoring of performance metrics

Inability to recruit and retain high calibre staff

Risks mitigated through:

- Application of recruitment incentives
- Talent management programmes
- Support for new teachers

Cyber security

Risks mitigated through:

- Insurance cover
- Staff awareness training
- Cyber essentials plus accreditation
- Robust data backups

Members' Report *(continued)*

KEY PERFORMANCE INDICATORS

Financial Targets

The College's financial targets for 2021/22 which were approved by the Corporation in July 2021 are shown in the table below:

Strategic target:	Outturn 2020/21	Outturn 2021/22	2021/22 target	Achieved
Generate income in excess of:	£28.4m	£29.3m	£29.6m	x
Deliver an outturn in line with the budgeted surplus:	£677k	£416k*	355k	✓
Generate apprenticeship income of:	£3.3m	£3.7m	£3.4m	✓
Meet or exceed our Adult Education Budget target of:	£2.5m	£2.0m	£2.5m	x
Achieve a 19+ loans target of:	£436k	£412k	£392k	✓
Achieve a commercial income target of:	£0.3m	£0.8m	£1.1m	x
Achieve Higher Education income of:	£1.9m	£1.7m	£1.9m	x
Maintain or better our ESFA Financial Health Rating of:	"Good"	"Good"	"Good"	✓
Improve on the budgeted figure for staff costs as a percentage of income:	68.3%	70.1%	<71.0%	✓
Achieve an average contribution from income centres of:	39.1%	39.1%	44.3%	x
Maintain a positive cash balance throughout the year and a year-end cash balance of at least:	£9.4m	£8.2m	£6.4m	x

**The £416k surplus outturn is the 2021/22 management accounting result which excludes adjustments required by FRS102 (8) to account for pensions liabilities in arriving at the Total Comprehensive Gain for the year disclosed in the Consolidated and College Statement of Comprehensive Income. This target is set and monitored against the management accounting position rather than the position reported in the financial statements. The table below shows a reconciliation between the two metrics:*

	£000	£000
Management accounting surplus (from table above)		416
FRS 102 (108) adjustments (from Note 23):		
Current service cost	(4,647)	
Past service cost	22	
Employer contributions	2,078	
Net interest cost	(602)	
		(3,193)
Deficit for the year (Consolidated and College Statements of Comprehensive Income)		(2,776)
Actuarial gain (from Note 23)		33,911
Total Comprehensive Gain for the year (Consolidated and College Statements of Comprehensive Income)		31,135

Student Achievements

Students continue to prosper at the College. Achievement rates remained high in 2021/22. Of known destinations, 98% of students moved into employment, further or higher education after they completed college.

College Performance

The College of West Anglia was subject to an Ofsted inspection in January 2019. The judgement on the College's overall effectiveness was "Good". Key findings underpinning the improvement in the judgement included:

- Classroom-based students of all ages make good progress in functional skills qualifications in English and mathematics

Members' Report *(continued)*

- Managers and staff have developed an inclusive and supportive culture and, as a result, the college is a welcoming and friendly place to study
- Work experience and other non-qualification activities support students to prepare well for employment or further education; the vast majority of them progress to positive destinations

Applewood Nursery, managed by the College and sited at the campus in King's Lynn was inspected by Ofsted in August 2021 the judgement for overall effectiveness was "Good".

Equality and Diversity

The College is committed to ensuring equality of opportunity for all who learn and work within it. The College respects and values positively differences in race; gender; sexual orientation; disability; religion; belief or age and strives vigorously to remove conditions which place people at a disadvantage and will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Single Equality and Diversity Policy, which includes its Race Relations Policy, Gender Policy and Disability Access Policy is published on the College's intranet site.

The College publishes an annual equality report and equality objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all applications from disabled persons, 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 or student becomes disabled, every effort is made to ensure that employment or learning with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

Disability Statement

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

- Improvements to disabled access to buildings will be implemented as part of the College's accommodation strategy
- The College employs an Additional Support Co-ordinator, who provides information and advice and arranges support where necessary for students with disabilities
- There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centres
- The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy
- The College has made a significant investment in the appointment of specialist lecturers and learning support assistants to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities
- Specialist programmes are described in College marketing material, and achievements and destinations are recorded and published
- Counselling and welfare services are described to students along with the Complaints and Disciplinary Procedure during the induction process

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College:

Members' Report *(continued)*

Number of employees who were relevant union officials during the relevant period	FTE employee number
5	5

Percentage of time spent on facility time	No. of employees
0%	0
1-50%	5
51-99%	0
100%	0

Total cost of facility time	£3,681
Total pay bill	£18,803,000
Percentage of total bill spent on facility time	0.02%

Time spent on paid trade union facility time as a percentage of total paid facility time	100.00%
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EVENTS AFTER THE END OF THE REPORTING PERIOD

Office for National Statistics reclassification of further education

Following a detailed review by the Office for National Statistics, an announcement was made on 29 November 2022 that, with immediate effect, English further education colleges, including the College of West Anglia, would be reclassified into the central government sector. Previously, further education had sat outside of the central government boundary.

The reclassification will result in a number of changes to the way that colleges' financial affairs are managed: specifically, colleges will be subject to the framework set out in HM Treasury's "Managing Public Money" (MPM). Key elements of the changes have been extracted from MPM by the Education and Skills Funding Agency (see <https://tinyurl.com/Boundary-change>). The reclassification does not affect the numbers presented in these financial statements nor the going concern basis on which they have been prepared.

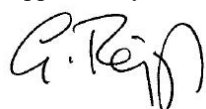
Economic circumstances – impact on pension assets and liabilities

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields. These are important to determining the pension asset or liability faced by the College, however, given the scale of market volatility, it is difficult to estimate the impact of these changes on the net balance sheet position as disclosed in these financial statements (further information is included in Note 24 to the financial statements).

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 7th December 2022 and signed on its behalf by:



G Rejzl
Chair

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2021 to 31st July 2022 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”) except in the matters outlined below; and
- iii. having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and substantially complied with the Code of Good Governance for English Colleges and the Senior Post Holder Remuneration Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with the provisions of the Code of Good Governance for English Colleges, excepting that Directors of the College’s subsidiary companies are also Governors of the Corporation, and it has so complied since the date of the Code’s adoption on 16 March 2016 to the year ended 31 July 2022. Prior to this date the College complied with the provisions of the Foundation Code of Governance. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges, which it formally adopted on 16 March 2016. The Corporation is aware of the revised Code of Good Governance for English Colleges (published September 2021) and notes that there is no expectation that colleges report against the new version until the 2022/23 academic year.

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

The composition of the Corporation, together with attendance at Corporation board meetings, is set out on pages 11 to 13. It is the Corporation’s responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation 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, safeguarding and staffing related matters such as health and safety and property/environmental issues. The Corporation meets at least once every term and Corporation members meet for two further planning/training half days each year.

The Corporation conducts its business through several committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are: finance and general purposes; employment policy; performance review and quality; remuneration; search and governance and audit. In addition, the Corporation sets up sub-groups to consider specific topics as needed, which currently includes the Chairs’ Meeting Group (since March 2019). The Corporation has set up strategic liaison committees with the Borough Council of King’s Lynn & West Norfolk and Fenland District Council to strengthen governor oversight of the College’s relationships with the Councils.

Statement of Corporate Governance and Internal Control (continued)

Full minutes of all meetings, except those deemed to be confidential by the Corporation, can be found on the College's web-site (www.cwa.ac.uk/about/governance) or are available from the Clerk of the Corporation at:

College of West Anglia
Tennyson Avenue
King's Lynn
Norfolk
PE30 2QW

Members

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

Name	Date of Appointment / Re-appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Corporation Board Meeting Attendance To 31/7/22
Chris Ashman	December 2017 Re-appointed December 2021	4 years		Governor	CMG (Chair) EPC PR&Q RC (Chair)	50%
Sharon Cambridge	July 2002 Re-appointed May 2018	4 years	Retired May 2021	Governor	CMG EPC (Chair) RC SCG (Chair)	100%
Andrew Cave	December 2001 Re-appointed December 2017	4 years	Retired December 2021	Governor	CMG EPC F&GP (Chair) RC SCG	100%
David Clark	July 2019	4 years		Governor	Audit	100%
Kay Driver	July 2022	4 years		Governor	Audit EPC	n/a
Mark Eastwood	July 2022	4 years		Governor	Audit	n/a
Mckenzie-Graye Evans	December 2021	4 years / Length of study	July 2022	Student Governor	n/a	67%

Statement of Corporate Governance and Internal Control (continued)

Samantha Fletcher	March 2017 Re-appointed March 2021	4 years		Governor	CMG PR&Q (Chair)	75%
Rebecca Hamilton	July 2019	4 years	January 2022	Governor	EPC	100%
Ray Harding	July 2019	4 years		Governor	Audit (Chair) CMG	100%
Tony Kenber	July 2022	4 years		Governor	F&GP	n/a
Scott Leadley	December 2011 Re-appointed October 2019	4 years		Staff Governor	PR&Q	100%
Rachel Lewis	December 2021	4 years / Length of study	July 2022	Student Governor	n/a	33%
William McEvansoneya	December 2022	4 years / Length of study		Student Governor	n/a	n/a
Alan Measures	December 2017 Re-appointed December 2021	4 years		Governor	F&GP	75%
Sally Mitton	March 2021	4 years		Governor	EPC (Chair)	75%
David Pomfret	July 2007	Term of Appointment		Principal/ Chief Executive	CMG EPC F&GP PR&Q SCG	100%
Carolyn Rand	March 2021	4 years		Governor	Audit	50%
Gill Rejzl	October 2019	4 years		Governor	Audit (to May 2022) CMG SCG (from May 2022; Chair)	100%

Statement of Corporate Governance and Internal Control (continued)

Lee Smith	October 2019	4 years		Governor	PR&Q	0%
Roderick Watkins	March 2016 Re-appointed March 2020	4 years	July 2022	Governor	PR&Q	33%
Gary Webb	December 2010 Re-appointed October 2018	4 years	Retired October 2022	Governor	F&GP	50%
Hein van den Wildenberg	March 2021	4 years		Governor	F&GP (Chair)	100%
Donna Woodruff	October 2020	4 years		Staff Governor	F&GP	100%
Co-opted Non-governors:						
Michael Andrews	May 2015 Re-appointed March 2019	4 years		Co-opted Non-governor	Audit	n/a
Key: CMG: Chairs' Meeting Group EPC: Employment Policy SCG: Search & Governance				F&GP: Finance & General Purposes PR&Q: Performance Review & Quality RC: Remuneration		
Attendance During 2021/22: Corporation members achieved an overall attendance rate of 86% for all meetings and 76% for Board meetings. Reasons for members' non-attendance have been discussed with and accepted by the Search and Governance Committee						

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address during normal office hours.

All governors are able to take independent professional advice in the furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner prior to Board meetings. Briefings are provided on an ad hoc basis.

With the exception of two staff members and the Accounting Officer, the Corporation is non-executive and independent of management and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a search and governance committee, consisting of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. In May 2020 new terms of office were introduced setting a maximum of 2 terms' service for members. Transition arrangements were put in place for those governors who, due to the new terms of office, had then reached the maximum length of service. One governor remains on the Board under the transition arrangements.

Corporation Performance

The Corporation reviews its performance each year via individual committee reviews, individual governor self-assessment, a review of governance and a review of the Chair's performance by peers, although for the latter this

Statement of Corporate Governance and Internal Control (continued)

review did not take place in 2021/22 due to the recent new appointment of the Chair in May 2022. Oversight and monitoring of the Corporation's performance is provided by the Search and Governance Committee. A self-assessment report was reviewed by the Search and Governance Committee in October 2022 and approved by the Corporation, also in October 2022; governance was considered to be 'Good' and 'Strong.' The Corporation is aware of the requirement to undertake an external governance review and has decided that this will be carried out in 2023/24.

Training & Development

All new governors joining the Board receive an induction from the Clerk, appropriate to their role on the Board (independent governor, student governor, staff governor). All new governors are encouraged to attend an online induction webinar for new governors provided jointly by the Association of Colleges (AoC) and the Education Training Foundation (ETF). The student governors also attend an online induction webinar organised by the Unloc organisation. Governors have access to the ETF FutureLearn platform which provides focused training modules in key aspects of governance. The Chair attends the AoC's Chairs' network group (webinars). The Chair of the Finance & General Purposes Committee and the Chair of the Audit Committee attend the AoC's Finance Chairs' network group, newly created during 2021/22. The Chair of the Performance Review & Quality Committee attends the AoC's Curriculum & Quality Chairs' network group, newly created during 2021/22. Governors attended a risk workshop in September 2021 led by Scrutton Bland; a training morning in November 2021 comprising 2 sessions: sustainability and sub-contracting reforms with Steve Frampton MBE as the guest speaker; a strategic development morning in April 2022 led by the deputy chief executive officer of the AoC. All governors received a briefing on the latest safeguarding requirements in October 2021. One student governor attended an on-line training event organised by the Unloc organisation on the theme of effective governance in February 2022. Two governors attended the AoC governance online summit, a 2-day event in February 2022. Governors receive the weekly newsletter from the AoC's Chief Executive; governors also receive governance briefings as published by the AoC from time to time. Governors have the opportunity to record their training needs when they complete their annual assessment form. Committees have the opportunity to record their own specific training needs as part of the annual review of performance.

The Clerk attends all group training and development sessions along with governors. The Clerk receives all newsletters briefing notes from the Association of Colleges and the Education & Skills Funding Agency. The Clerk is a member of, and regularly attends the meetings of the Clerks' eastern regional network group. The Clerk receives information, guidance and support from the national Clerks' network. The Clerk attended the AoC/ETF regional governance webinar conference for the midlands and eastern areas in March 2022.

Remuneration Committee

Throughout the year ending 31 July 2022, the College's Remuneration Committee comprised three members of the Corporation; membership was increased to four members from 2022/23. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior key management personnel. The College has adopted the Code of Good Governance for English Colleges and, since October 2019, the Senior Post Holder Remuneration Code. In accordance with the Remuneration Code, the Committee produces an annual report on its activities which is reported to the Board and then published on the college website.

Details of remuneration for the year ended 31 July 2022 are set out in Note 7 to the financial statements.

Audit Committee

The Audit Committee has a membership of six, comprising one co-opted member, from outside the Corporation, and five members of the Corporation (excluding the Accounting Officer and Chair of the Corporation). The committee has no vacancies as at 1 August 2022. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets three times per year and provides a forum for reporting by the College's internal and external auditors, who have access to the Committee for independent discussion without the presence of College management. The Committee also receives and considers reports from the main FE funding body as they affect internal controls.

Statement of Corporate Governance and Internal Control (continued)

The Committee considers and reviews internal control, risk management controls and governance processes and approves an annual audit plan for the internal auditors. Once completed, the internal auditor reports the findings to management and the Audit Committee.

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

The Audit Committee also advises the Corporation on the appointment of the internal and external auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

The Audit Committee met 3 times in the year to 31 July 2022. The members of the committee and their respective attendance details are shown below:

Committee Member	Meetings Attended	Meetings Required	% Attendance	Notes
Michael Andrews	2	3	67%	
David Clark	3	3	100%	
Kay Driver	0	0	n/a	Appointed July 2022
Mark Eastwood	0	0	n/a	Appointed July 2022
Ray Harding (Chair)	3	3	100%	
Carolyn Rand	3	3	100%	
Gill Rejzl	2	2	100%	Moved from Audit Committee on becoming Chair of the Corporation, May 2022

Search and Governance Committee

The Search and Governance Committee has a membership of five members of the Corporation. The committee has no vacancies, as at 1 August 2022. The committee is responsible for the review of all aspects of governance and makes recommendations to the Corporation as required. This includes: the appointment and re-appointment of governors; committee structures and appointment of committee Chairs; governor attendance; register of interests; governance self-assessment process and external governance review

Details on becoming a governor are advertised on the College website. Applications are invited from anyone who has an interest in contributing to the development of the core strategic aims of the College and are committed to serving the local community, through ensuring the provision of a quality educational experience for all.

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibility assigned to him in the Financial Memorandum between the College and the Chief Executive of Education and Skills Funding Agency. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

Statement of Corporate Governance and Internal Control (continued)

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the College throughout the year ended 31 July 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation has the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. During 2021/22 the Internal Audit Service focused its work on core financial systems, however, the Audit Committee was at liberty to commission additional work from the Internal Audit Service or other appropriate body where additional assurance was required. This additional work may include, but is not limited to : Governance and risk management processes; All College activities including those of subsidiary companies and joint ventures or those carried out through collaboration with other organisations, including franchised learning provision; The College's responsibilities towards its funding bodies and all other public bodies; Planning systems including long term planning, forecasting, monitoring, management information and financial planning and budgeting; All significant College systems and processes; All College departments and personnel and any contractors who provide services that are included within the scope of the audit; Learner information systems and funding claims and controls to minimise the risk of irregularities and fraud.

Responsibilities under Funding Agreements

The Governing Body has ensured the appropriate use of funds as detailed in the Regularity self- assessment questionnaire. The measures in place include over 200 ILR controls to ensure that the data loaded onto College systems are consistent with funding rules. The College also runs DSAT reports, written by the ESFA to identify anomalies in the ILR which are followed up and addressed. Enrolment forms, Learning Agreements and Timetables/Registers provide assurance that learners have undertaken funded activity and evidence exists to comply with funding audit requirements. Funding bodies can commission funding audits by external parties to ensure that funding rules are complied with and the College on occasion commission audit firms to complete these

Statement of Corporate Governance and Internal Control (continued)

to seek assurance that processes remain compliant. The last full funding audit was carried out in 2018/19; this was commissioned by the College. An Apprenticeship funding focused audit was commissioned by the College in the summer of 2021 and reviewed in the autumn term, 2021/22; also, an Adult Education Budget (AEB) focused audit was commissioned by the Cambridge and Peterborough Combined Authority (CPCA) in October 2021.

At no time has the Principal, who is the Accounting Officer considered it necessary to advise the Governing Body that any action or policy under its consideration was incompatible with conditions of funding. There have been no payments on termination of employment to the end of July 2022 or up until the time of approval of these financial statements. The Governing Body has monitored the submission of financial plans through timely approvals of the Integrated Financial Model, budgets and forecasts as well ensuring regular monitoring of management accounts. The Report and Financial Statements have similarly been submitted to the funding agency on time and are widely available through the College website. The Governing Body has also ensured that the terms and conditions of specific funding streams such as capital grants have also been met.

Statement from the Audit Committee

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

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

- Apprenticeship funding audit – commissioned by the College in the summer of 2021 and reviewed by the Audit Committee in November 2021. The overall rating for this audit was “High Risk” with a number of recommendations suggested to improve the risk category. Work has progressed throughout the year with regular monitoring by management and update reports to governors via the Audit Committee, Performance Review & Quality Committee and the Corporation.
- Sub-contracting 2020/21 – strong assurance was provided by the auditor with no recommendations given. This was reviewed by the Audit Committee in November 2021.
- Key Financial Controls Audit - this audit comprised Payroll with significant assurance provided by the auditor. The audit contained 1 recommendation, graded as Low. This was reviewed by the Audit Committee in November 2021.
- Cashflow Forecasting - significant assurance was provided by the auditor. The report contained 1 recommendation graded as Low. This was reviewed by the Audit Committee in November 2021.
- AEB Funding Report, commissioned by the Cambridgeshire & Peterborough Combined Authority – this was carried out in October 2021 with the final report reviewed by the Audit Committee in March 2022; there were no concerns raised.
- Budgetary Control & Fixed Assets – this audit was carried out in March 2022 with the final report reviewed by the Audit Committee in November 2022. For budgetary control, ‘significant’ assurance was given; for fixed assets, ‘reasonable’ assurance was given.
- Sub-contracting 2021/22 - this audit was carried out in July 2022 with the final report reviewed by the Audit Committee in November 2022. For this audit, ‘significant’ assurance was given.

Review of effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College’s external auditors, the regularity auditors, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports

Statement of Corporate Governance and Internal Control (continued)

During the year under review, there were no significant internal control weaknesses or failures.

The Accounting Officer has been advised on the implications of the result of his 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 Accounting Officer and senior management team receive 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 Accounting Officer and senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2022.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation 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".

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 7th December 2022 and signed on its behalf by:



G Rejzl

Chair

7th December 2022



D Pomfret

Accounting Officer

7th December 2022

Governing Body's statement on the College's regularity, propriety and compliance with Funding Body terms and conditions of funding

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the financial memorandum in place between the College and the ESFA. As part of our consideration we have had due regard to the requirements of the financial memorandum.

We confirm on behalf of the Corporation that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the terms and conditions of funding, under the Corporation's grant funding agreements and contracts with the ESFA, or any other public funder.

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



G Rejzl
Chair
7th December 2022



D Pomfret
Accounting Officer
7th December 2022

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including 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 college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 7th December 2022 and signed on its behalf by:



G Rejzl

Chair

Independent auditor's report to the Corporation of The College of West Anglia

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the College of West Anglia ("the College") for the year ended 31 July 2022 which comprise the Consolidated and College Statements of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Balance Sheet, Consolidated Statement of Cash Flows and related notes, including the Statement of Accounting Policies and Estimation Techniques.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the College's affairs as at 31 July 2022, and of the Group's and the College's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Corporation has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the College or to cease their operations, and as it has concluded that the Group and the College's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Corporation's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Corporation's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the College will continue in operation.

Independent auditor’s report to the Corporation of The College of West Anglia *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the audit committee, internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the low volume of tuition which spans the year end cut off period and the size and nature of other income streams.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to cash where the other side was to an unusual account.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and from inspection of the Group’s regulatory and legal correspondence, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students recognising the nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evidence from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University’s use of funds in the section of our audit report dealing with other legal and regulatory requirements.

Independent auditor's report to the Corporation of The College of West Anglia

(continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Corporation is responsible for the other information, which comprises the Members' Report and the Corporation's Statement of Governance and Internal Control and the Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding and Statement of Responsibilities of the Members of the Corporation. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Post-16 Audit Code of Practice 2021 to 2022 (revised) (September 2022) issued by the Education and Skills Funding Agency we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Corporation's responsibilities

As explained more fully in its statement set out on page 20, the Corporation is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 it either intends to liquidate the Group or the parent College or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditor's report to the Corporation of The College of West Anglia

(continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the articles of Government;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students

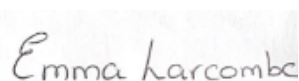
Matters on which we are required to report by exception

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the College's grant and fee income, as disclosed in Note 2 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Corporation in accordance with Article 22 of the Articles of Government of the College. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation for our audit work, for this report, or for the opinions we have formed.



Emma Larcombe
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Botanic House

100 Hills Road

Cambridge

CB2 1AR

9th December 2022

Reporting Accountant’s Report on Regularity to the Corporation of The College of West Anglia and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 3 November 2021 and further to the requirements and conditions of funding in ESFA’s grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that, in all material respects, the expenditure disbursed and income received by the College of West Anglia and its subsidiaries (hereinafter collectively referred to as “the College”) during the period 1 August 2021 to 31 July 2022 as recorded in the annual financial statements of the College of West Anglia for the same period, have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied in conducting our work is set out in the Post-16 Audit Code of Practice 2021 to 2022 (revised) (September 2022) issued by the ESFA.

This report is made solely to the Corporation of the College of West Anglia and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of the College of West Anglia and the ESFA those matters we have been engaged 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 the College of West Anglia and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Corporation of the College of West Anglia and the reporting accountant

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

Our responsibilities are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Post-16 Audit Code of Practice 2021 to 2022 (revised) (September 2022). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, the expenditure disbursed and income received by the College during the period 1 August 2021 to 31 July 2022, as recorded in the annual financial statements of the College of West Anglia, have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

We comply with the ICAEW Code of Ethics issued by the Institute of Chartered Accountants in England and Wales and we apply International Standard on Quality Control (UK) 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Approach

We conducted our engagement in accordance with the Post-16 Audit Code of Practice 2021 to 2022 (revised) (September 2022) issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a positive opinion.

Reporting Accountant's Report on Regularity to the Corporation of The College of West Anglia and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA) *(continued)*

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

The work undertaken to draw our conclusion included:

- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.
- We reviewed the investments in subsidiaries and the oversight of these by the corporation.

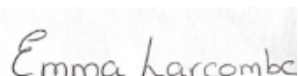
This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity and propriety consistent with the requirements of the Post-16 Audit Code of Practice 2021 to 2022 (revised) (September 2022).

This engagement to report on regularity and propriety is separate from the audit of the annual financial statements of the College of West Anglia and the report here relates only to the matters specified and does not extend to the College of West Anglia's annual financial statements taken as a whole.

As set out in our audit report on those financial statements, that audit report is made solely to the Corporation of the College of West Anglia in accordance with Article 22 of the Articles of Government of the College of West Anglia. The audit work has been undertaken so that we might state to the Corporation of the College of West Anglia those matters we are required to state to the Corporation in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College of West Anglia and the Corporation of the College of West Anglia for that audit work, for the audit report, or for the opinions we have formed in respect of that audit.

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 by the College during the period 1 August 2021 to 31 July 2022, as recorded in the annual financial statements of [ABC] College, have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Emma Larcombe

For and on behalf of KPMG LLP, Reporting Accountant

Botanic House

100 Hills Road

CB2 1AR

9th December 2022

Consolidated and College Statements of Comprehensive Income

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	2	23,452	23,452	23,119	23,119
Tuition fees and education contracts	3	2,693	2,306	2,683	2,419
Other grants and contracts	4	2,236	2,236	2,138	2,138
Other income	5	959	1,131	459	537
Endowment and investment income	6	1	1	1	1
Total income		29,341	29,126	28,400	28,214
EXPENDITURE					
Staff costs	7	21,394	21,394	19,770	19,770
Other operating expenses	8	7,901	7,679	7,230	7,034
Depreciation	11	2,186	2,157	2,230	2,202
Interest and other finance costs	9	650	650	558	558
Total expenditure		32,131	31,880	29,788	29,564
(Deficit) before other gains and losses		(2,790)	(2,753)	(1,388)	(1,350)
Gain on disposal of fixed assets		14	14	30	28
(Deficit) before tax		(2,776)	(2,739)	(1,358)	(1,322)
Taxation	10	-	-	-	-
(Deficit) for the year		(2,776)	(2,739)	(1,358)	(1,322)
Actuarial gain/(loss) in respect of pension schemes	23	33,911	33,911	(295)	(295)
Total Comprehensive Gain/(Loss) for the year		31,135	31,172	(1,653)	(1,617)

All items of income and expenditure relate to continuing activities.

The notes on pages 31 to 54 form part of these financial statements.

Consolidated and College Statement of Changes in Reserves Year ended 31 July 2022

	General Reserve (including pension reserve) £'000	Revaluation Reserve £'000	Total £'000
Group			
Balance at 1st August 2020	(14,303)	1,773	(12,530)
(Deficit) from the income and expenditure statement	(1,358)	-	(1,358)
Other comprehensive loss	(295)	-	(295)
Transfers between revaluation and income and expenditure reserves			-
	(1,653)	-	(1,653)
Balance at 31st July 2021	(15,956)	1,773	(14,183)
(Deficit) from the income and expenditure statement	(2,776)		(2,776)
Other comprehensive gain	33,911		33,911
Transfers between revaluation and income and expenditure reserves	-	-	-
Total comprehensive gain for the year	31,135	-	31,135
Balance at 31st July 2022	15,179	1,773	16,952
College			
Balance at 1st August 2020	(13,958)	1,773	(12,185)
(Deficit) from the income and expenditure statement	(1,322)	-	(1,322)
Other comprehensive loss	(295)	-	(295)
Transfers between revaluation and income and expenditure reserves			-
	(1,617)	-	(1,617)
Balance at 31st July 2021	(15,575)	1,773	(13,802)
(Deficit) from the income and expenditure statement	(2,739)		(2,739)
Other comprehensive gain	33,911		33,911
Transfers between revaluation and income and expenditure reserves	-	-	-
Total comprehensive gain for the year	31,172	-	31,172
Balance at 31st July 2022	15,597	1,773	17,370

The notes on pages 31 to 54 form part of these financial statements.

Consolidated and College Balance Sheets as at 31 July 2022

	Notes	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Fixed assets					
Tangible fixed assets	11	42,724	42,674	42,588	42,510
Investments	12	-	3,344	-	3,344
		42,724	46,018	42,588	45,854
Current assets					
Trade and other receivables	13	1,636	1,515	1,151	1,106
Cash and cash equivalents	18	8,242	8,240	9,399	9,392
		9,878	9,755	10,550	10,498
Less: Creditors – amounts falling due within one year	14	(8,159)	(10,912)	(7,476)	(10,309)
Net current assets / (liabilities)		1,719	(1,157)	3,074	189
Total assets less current liabilities		44,443	44,861	45,662	46,043
Less: Creditors – amounts falling due after more than one year	15	(21,820)	(21,820)	(22,926)	(22,926)
Provisions					
Defined benefit obligations	17	(5,558)	(5,558)	(36,277)	(36,277)
Other provisions	17	(113)	(113)	(642)	(642)
Total net assets / (liabilities)		16,952	17,370	(14,183)	(13,802)
Unrestricted reserves					
Income and expenditure account		15,179	15,597	(15,956)	(15,575)
Revaluation reserve		1,773	1,773	1,773	1,773
Total unrestricted reserves		16,952	17,370	(14,183)	(13,802)

The financial statements on pages 27 to 54 were approved and authorised for issue by the Corporation on 7th December 2022 and were signed on its behalf on that date by:



G Rejzl
Chair



D Pomfret
Accounting Officer

Consolidated Statement of Cash Flows Year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Cash inflow from operating activities			
(Deficit) for the year		(2,776)	(1,358)
Adjustment for:			
Depreciation		2,186	2,230
Profit on disposal of tangible fixed assets		(14)	(30)
Deferred capital grants released to income		(1,024)	(877)
Decrease in debtors		(485)	(317)
Increase in creditors		524	1,591
(Decrease) / increase in provisions		(529)	170
Pensions costs less contributions payable		3,192	2,035
Adjustment for investing or financing activities:			
Investment income		(1)	(1)
Interest expense		48	71
Net cash flow from operating activities		1,121	3,514
Cash flows from investing activities			
Proceeds from sale of fixed assets		14	32
Deferred capital grants received		938	1,515
Investment income		1	1
Payments made to acquire fixed assets		(2,272)	(935)
		(1,319)	613
Cash Flows from financing activities			
Interest paid		(48)	(71)
Repayments of amounts borrowed		(911)	(912)
		(959)	(983)
(Decrease) / increase in cash and cash equivalents in the year		(1,157)	3,144
Cash and cash equivalents at beginning of the year	18	9,399	6,255
Cash and cash equivalents at end of the year	18	8,242	9,399

The notes on pages 31 to 54 form part of these financial statements.

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2021 to 2022* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies. The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

Basis of consolidation

The consolidated financial statements of the group include the financial statements of the College and its subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are prepared to 31 July 2022.

Going concern

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

The financial statements have been prepared on a going concern basis which the Corporation consider to be appropriate for the following reasons.

The Corporation has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, including the impact forecast energy and general price increases and increase in the National Minimum Wage, the Group and College will have sufficient funds to meet their liabilities as they fall due for that period.

In reaching this conclusion, the Corporation has considered the following severe but plausible scenarios:

- Reduction in the AEB and apprenticeship numbers from 31 July 2022 of 10%
- Reduction in commercial income in 2022/23 of 10%
- Increase in the non pay cost inflation assumption to 10%
- Increase in gas and electricity prices by 40%
- No mitigating actions were considered necessary, or modelled, in this severe downside scenario
- The ability of the College to meet its liabilities as they fall due
- 16 to 18 year-old demographics from the College's feeder schools are improving
- The Group has a year-end cash balance of £8.2m and cash flow projections are reassuring
- The Group has sufficient funds to repay its bank loan balance of 869k

Notes to the Accounts *(continued)*

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

Going concern *(continued)*

The Corporation believes the Group and College have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

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

Financial Liabilities and Equity

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

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

Recognition of Income

Revenue grant funding

The recurrent grant from HEFCE represents the funding allocations attributable to the current financial year for higher education students and is credited directly to the income and expenditure account.

Further Education funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the Consolidated Statements of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end. Employer responsive grant income is recognised based on a year-end reconciliation of income claimed and actual delivery with the Education and Skills Funding Agency. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Revenue grant funding (continued)

Other discrete funding body grants received during the year are taken to income as expenditure is incurred in line with the specific terms and conditions attached to each grant by the funding bodies.

Where the College receives and disburses funds in which it has no direct beneficial interest, such funds are excluded from the income and expenditure account on the grounds that the College does not have direct control over the future economic benefits derived from these funds. The College has applied this policy to certain funds received during the year from the Education and Skills Funding Agency (see note 25).

Capital grant funding

Government capital grants are 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.

Investment Income

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

Other income

Income from other grants and from contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

Notes to the Accounts *(continued)*

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

Recognition of Income *(continued)*

Agency arrangements

The College acts as an agent in the collection and payment of learner support funds. Related income received from funding agencies and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 25, except for the 5% of the grant received which is available to the College to cover administration costs relating to the grant.

Accounting for Post-Employment Benefits

Retirement benefits for employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Second Pension. Contributions to the TPS are charged as incurred.

Teachers' Pension Scheme

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

Local Government Pension Schemes

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Statements of Comprehensive Income.

Further details of the pension schemes are given in note 23.

Non-Current Assets - Tangible Fixed Assets

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account on an annual basis. Land and buildings acquired since incorporation are included in the balance sheet at cost.

Componentisation - where an asset contains a component with a significant cost in relation to the overall asset and a different useful life, the College recognises and accounts for the component separately. Where components are recognised they are depreciated over their own useful lives when calculating the depreciation chargeable for the year. Where capital expenditure results in an acquisition which replaces a component of an asset, the original component is derecognised in order to ensure that the College does not overstate its assets. The de-minimis level for componentising assets is £250,000 on the gross book value of buildings only. The three building components used are structure, fitting out and machinery and equipment.

Depreciation - freehold land is not depreciated. Freehold buildings and their components are depreciated over their expected useful economic life to the College of between 15 and 75 years. Leasehold land and buildings are amortised over 10 years or, if shorter, the period of the lease. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Notes to the Accounts *(continued)*

1. Statement of Accounting Policies and Estimation Techniques *(continued)*

Non-Current Assets - Tangible Fixed Assets *(continued)*

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

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

Subsequent expenditure on existing fixed assets

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

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

Assets under construction

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

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition; however items may be pooled together. All other equipment is capitalised at cost. Equipment inherited from the Local Education Authority is included in the balance sheet at valuation.

Inherited equipment has been depreciated on a straight-line basis over its estimated remaining useful economic life to the College of between three and ten years from incorporation and is now fully depreciated. All other equipment is depreciated over its useful economic life as follows:

- | | |
|--|---------------------|
| • Motor vehicles and general equipment | 5 years |
| • Other plant and equipment | 5 years or 10 years |
| • Computer equipment | 4 years |
| • Furniture and fittings | 5 years |
| • Farm equipment | 10 years |

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Leased Assets

Costs in respect of operating leases are charged on a straight line basis over the lease term in the Statement of Comprehensive Income and Expenditure. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding body capital equipment grants, the associated assets are designated as grant-funded assets.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

Notes to the Accounts *(continued)*

Statement of Accounting Policies and Estimation Techniques *(continued)*

Investments

Fixed asset investments are carried at historical cost less any provision for impairment in their value.

Cash

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

Foreign Currency Translation

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of 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, where the inputs themselves are tangible fixed assets by nature, as appropriate.

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

Liquid Resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

Provisions

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

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

Judgements in applying accounting policies

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

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

Notes to the Accounts *(continued)*

Statement of Accounting Policies and Estimation Techniques *(continued)*

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty *(continued)*

Other key sources of estimation uncertainty

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding Body Grants

	Year ended 31 July		Year ended 31 July	
	2022	2022	2021	2021
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Education and Skills Funding Agency - adult	1,570	1,570	1,844	1,844
Education and Skills Funding Agency - adult devolved allocations:				
Combined Peterborough and Cambridgeshire Authority	488	488	399	399
Greater London Authority			270	270
Education and Skills Funding Agency - 16-18	16,634	16,634	16,386	16,386
Education and Skills Funding Agency - apprenticeships	3,736	3,736	3,343	3,343
Specific Grants				
Releases of government capital grants	1,024	1,024	877	877
Total	23,452	23,452	23,119	23,119

Notes to the Accounts (continued)

3 Tuition Fees and Education Contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Group £'000	College £'000	Group £'000	College £'000
Fees - full cost provision	417	30	290	25
Fees - other funded provision	128	128	87	87
Fees for FE loan supported courses	412	412	436	436
Total tuition fees	957	570	812	548
Education contracts	1,736	1,736	1,871	1,871
Total	2,693	2,306	2,683	2,419

4 Other Grants and Contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Group £'000	College £'000	Group £'000	College £'000
European Commission	216	216	362	362
Other grants and contracts	2,020	2,020	1,776	1,776
Total	2,236	2,236	2,138	2,138

5 Other Income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Group £'000	College £'000	Group £'000	College £'000
Catering and residences	353	353	15	15
Other income generating activities	76	76	67	67
Miscellaneous income	530	702	377	455
	959	1,131	459	537

6 Investment Income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Group £'000	College £'000	Group £'000	College £'000
Other interest receivable	1	1	1	1

Notes to the Accounts *(continued)*

7 Staff Costs – Group and College

The average number of persons employed by the group (including senior post holders) during the year was as follows:

	2022	2021
	No.	No.
Teaching staff	239	271
Teaching support staff	146	189
Non teaching staff	326	291
	<u>711</u>	<u>751</u>
Staff costs for the above persons	2022	2021
	£'000	£'000
Wages and salaries	14,181	13,952
Social security costs	1,137	1,032
Other pension costs	6,076	4,786
	<u>21,394</u>	<u>19,770</u>

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Management Team which comprised the Principal; the Vice Principal, Curriculum and Quality; the Vice Principal, Corporate Services who are designated senior postholders appointed by the Corporation and, additionally, the Assistant Principal Student Services and the Assistant Principal, Funding and Performance.

Emoluments of Key Management Personnel and the Accounting Officer

	2022	2021
	No.	No.
The number of key management personnel including the Accounting Officer was:	7	6
	<u>7</u>	<u>6</u>

Notes to the Accounts *(continued)*

7 Staff Costs – Group and College *(continued)*

The number of key management personnel whose annualised emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	2022 No.	2021 No.
£60,001 to £65,000	2	2
£70,001 to £75,000	-	1
£75,001 to £80,000	1	1
£80,001 to £85,000	1	1
£85,001 to £90,000	1	-
£90,001 to £95,000	1	-
£140,001 to £145,000	<u>1</u>	<u>1</u>
	<u>7</u>	<u>6</u>

During the year one member of the SMT left the college and returned at a different salary band and is therefore counted as twice within the above across two salary bands.

No other member of staff received annual emoluments, excluding pension contributions but including benefits in kind, in excess of £60,000 p.a. (2020/21: nil).

Key management personnel compensation is made up as follows:

	2022 £'000	2021 £'000
Basic salary	440	384
Performance related pay and bonus	-	-
Other benefits in kind	-	-
Pension contributions	<u>97</u>	<u>72</u>
	<u>537</u>	<u>456</u>

The above compensation includes amounts payable to the Principal and Chief Executive who is the accounting officer and who is also the highest paid member of staff. His pay and remuneration was as follows:

	2022 £'000	2021 £'000
Basic salary	145	141
Performance related pay and bonus	-	-
Other benefits in kind	-	-
Pension contributions	<u>34</u>	<u>17</u>
	<u>179</u>	<u>158</u>

Notes to the Accounts *(continued)*

7 Staff Costs – Group and College *(continued)*

The governing body adopted Association of College’s Senior Staff Remuneration Code on 14th October 2019 and will assess pay in line with its principles in future.

The remuneration package of designated senior post holders, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The salaries of the Assistant Principal Quality & Students, the Assistant Principal Student Services and the Assistant Principal Funding and Performance are informed by the Association of Colleges’ survey of senior pay in the sector on appointment. Subsequent pay increases are subject to approval by the Corporation through the normal budget approval mechanisms.

A panel of Governors undertakes an annual review of the Principal and Chief Executive’s performance against the college’s overall objectives using both qualitative and quantitative measures of performance. The Principal and Chief Executive undertakes an annual review of the performance of the Vice Principal, Curriculum and Quality and the Vice Principal, Corporate Services with input from Governors followed by a further review by the Remuneration Committee. The Principal and Chief Executive undertakes an annual appraisal of the performance of the Assistant Principal, Quality & Students; the Vice Principal, Curriculum and Quality undertakes an annual appraisal of the performance of Assistant Principal, Student Services and the Vice Principal, Corporate Services undertakes an annual appraisal of the performance of the Assistant Principal, Funding and Performance.

Relationship of Principal and Chief Executive’s pay and remuneration expressed as a multiple:

	2022	2021
	£’000	£’000
Principal and Chief Executive's basic salary as a multiple of the median of all staff (excluding Agency staff)	<u>6.06</u>	<u>6.16</u>
Principal and Chief Executive's total remuneration as a multiple of the median of all staff (excluding Agency staff)	<u>6.14</u>	<u>5.66</u>

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

Notes to the Accounts *(continued)*

8 Other Operating Expenses

	Year ended 31 July		Year ended 31 July	
	2022	2022	2021	2021
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	3,193	2,854	2,613	2,420
Non teaching costs	2,791	2,777	3,065	2,995
Premises costs	1,917	2,048	1,552	1,619
Total	7,901	7,679	7,230	7,034
Other operating expenses include:		2022		2021
		£'000		£'000
Auditors' remuneration:				
Financial statements audit*		109		61
Internal audit**		9		10
Other services provided by the financial statements auditors		-		-
Hire of asset under operating leases		41		50

* includes £99,800 in respect of the College (2020/21 £52,800)

** includes £9,156 in respect of the College (2020/21 £9,974)

9 Interest and other Finance Costs – Group and College

	2022	2021
	£'000	£'000
On bank and other loans:	<u>48</u>	<u>71</u>
	48	71
Net interest on defined pension liability (note 23)	<u>602</u>	<u>487</u>
Total	<u>650</u>	<u>558</u>

Notes to the Accounts *(continued)*

10 Taxation – Group Only

The members do not believe the College was liable for any corporation tax arising out of its activities during either period.

11 Tangible Fixed Assets

Group

	Freehold Land and buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation				
At 1 August 2021	69,105	19,566	128	88,799
Additions	123	1,011	1,188	2,322
Disposals	-	(58)	-	(58)
Transfers	443	-	(443)	-
At 31 July 2022	69,671	20,519	873	91,063
Depreciation				
At 1 August 2021	27,757	18,454	-	46,211
Charge for the year	1,586	600	-	2,186
Elimination in respect of disposals		(58)		(58)
At 31 July 2022	29,343	18,996	-	48,339
Net book value at 31 July 2022	40,328	1,523	873	42,724
Net book value at 31 July 2021	41,348	1,112	128	42,588

Notes to the Accounts *(continued)*

11 Tangible Fixed Assets *(continued)*

College

	Freehold Land and buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation				
At 1 August 2021	68,804	19,053	128	87,985
Additions	123	1,010	1,188	2,321
Disposals	-	(57)	-	(57)
Transfers	443	-	(443)	-
At 31 July 2022	69,370	20,006	873	90,249
Depreciation				
At 1 August 2021	27,515	17,960	-	45,475
Charge for the year	1,568	589	-	2,157
Elimination in respect of disposals		(57)		(57)
At 31 July 2022	29,083	18,492	-	47,575
Net book value at 31 July 2022	40,287	1,514	873	42,674
Net book value at 31 July 2021	41,289	1,093	128	42,510

Land and buildings were valued for the purpose of the 1994 financial statements at depreciated replacement cost by the District Valuer & Valuations Office (Peterborough) in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes. Other tangible fixed assets inherited from the Local Education Authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis with the assistance of independent professional advice.

Land and buildings with a net book value of £1,773,000 (2020/21: £1,773,000) have been financed from exchequer funds. Should these assets be sold, the College may be liable, under the terms of the financial memorandum, to surrender the proceeds.

Notes to the Accounts (continued)

12 Investments

	College 2022 £'000	College 2021 £'000
Investments in subsidiary companies	<u>3,344</u>	<u>3,344</u>

The College owns ordinary shares in the following companies, incorporated in Great Britain and registered in England and Wales:

Name of undertaking	Country of registration	Registered address	Description of shares held	Proportion of nominal values of issued shares held
CWA Enterprises Limited	England and Wales	Tennyson Avenue, King's Lynn, Norfolk, PE30 2QW	100 x ordinary £1 shares	100%
CWA Developments Limited	England and Wales	Tennyson Avenue, King's Lynn, Norfolk, PE30 2QW	1 x ordinary £1 share	100%

The principal business activity of CWA Enterprises Limited is the supply of education and training courses to commercial clients and of CWA Developments Limited, the design and build of new buildings for the College.

13 Trade and Other Receivables

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Amounts falling due within one year:				
Trade receivables	254	133	371	327
Other debtors	31	31	9	9
Prepayments and accrued income	595	595	295	370
Amounts owed by the ESFA	756	756	476	400
Total	<u>1,636</u>	<u>1,515</u>	<u>1,151</u>	<u>1,106</u>

Notes to the Accounts *(continued)*

14 Creditors: Amounts falling due within one year

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Bank loans	869	869	911	911
Payments received on account	280	280	288	288
Trade payables	435	420	391	380
Amounts owed to subsidiary undertakings	-	2,922	-	2,910
Corporation tax	-	-	-	-
Other taxation and social security	330	304	287	275
Accruals and deferred income	2,969	2,843	2,849	2,801
Deferred income - government capital grants	1,024	1,024	873	873
Deferred income - government revenue grants	1,449	1,449	1,237	1,237
Other creditors	803	801	640	634
Total	8,159	10,912	7,476	10,309

Accruals and deferred income includes £581,834 (2021: £642,000) in respect of accrued short-term employment benefits.

15 Creditors: Amounts falling due after more than one year

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Bank loans	-	-	869	869
Deferred income - government capital grants	21,820	21,820	22,057	22,057
Total	21,820	21,820	22,926	22,926

Notes to the Accounts *(continued)*

16 Maturity of Debt

(a) Bank Loans and Overdrafts – Group and College

Bank loans are repayable as follows:

	2022 £'000	2021 £'000
In one year or less	869	911
Between one and two years	-	869
Between two and five years	-	-
In five years or more	-	-
Total	869	1,780

The bank loan bears interest at a fixed rate of 2.624% and is repayable by instalments falling due between 1st August 2021 and 31st July 2023.

(b) Other Creditors – Group and College

	2022 £'000	2021 £'000
In one year or less	2	2
Between two and five years	-	2
Total	2	4

Other creditors comprise loans to fund energy reduction initiatives. The loans are interest free and are repayable by instalments falling due between 1st August 2021 and 1st February 2023.

17 Provisions – Group and College

	Defined Benefit Obligations £'000	Group and College		Total £'000
		Onerous lease £'000	Restructure £'000	
At 1 August 2021	36,277	142	500	36,919
Expenditure in the period	-	(29)	(500)	(529)
Additions in the period	(30,719)	-		(30,719)
At 31 July 2022	5,558	113	0	5,671

Notes to the Accounts (continued)

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 23.

The onerous lease provision relates to premises at Downham Market leased under a 25 year lease expiring on 5th June 2026. The decision to vacate the premises was taken during 2014/15 as part of a cost saving and restructure exercise. The lease is non-cancellable and no opportunity to sub-let the premises has been identified to date. Consequently, full provision has been made for the payments falling due over the remaining lease term.

18 Cash and Cash Equivalents

	At 1 August 2021 £'000	Cash flows £'000	At 1 August 2022 £'000
Cash and cash equivalents	9,399	(1,157)	8,242

19 Capital and Other Commitments

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Commitments contracted for at 31 July	589	589	1,499	1,499
Commitments authorised but not contracted for at 31 July	-	-	-	-

20 Lease Obligations

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	Group and College	
	2022 £'000	2021 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	96	96
Later than one year and not later than five years	349	386
Later than five years	760	841
	<u>1,205</u>	<u>1,323</u>
Other		
Not later than one year	44	42
Later than one year and not later than five years	7	51
	<u>51</u>	<u>93</u>
Total lease payments due	<u>1,256</u>	<u>1,416</u>

Notes to the Accounts *(continued)*

21 Contingent Liabilities

As explained in note 23, the College participates in the Cambridgeshire Isle College Local Government Pension scheme which has deferred members only and is closed to new members. Management understands that the College may be liable for any future funding deficit as measured at future triennial valuations, any liability being contingent on the ratio of assets to liabilities in the scheme falling below a level which the fund has yet to determine. In view of the uncertainty, no financial provision has been made in these accounts. It is not considered practical to estimate the potential liability at this stage.

22 Events after the reporting period

Details of post balance sheet events are given in the report of the members of the Corporation.

23 Defined Benefit Obligations

The College's employees belong to two principal pension schemes: the Teachers' Pension Scheme in England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Norfolk County Council for current employees and Cambridgeshire County Council for previous employees of Cambridge College of Agriculture and Horticulture ("CCAH") and Isle College. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of both the TPS and of the LGPS at 31 March 2019.

	2022		2021	
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		1,439		1,400
Local Government Pension Scheme:				
Contributions paid:				
Norfolk scheme	2,043		1,835	
Cambridgeshire schemes	3		3	
FRS 102 (28) charge:				
Norfolk scheme	2,594		1,551	
Cambridgeshire schemes	(3)		(3)	
Charge to the Statement of Comprehensive Income		4,637		3,386
Enhanced pension charge to Statement of Comprehensive Income		-		-
Total Pension Cost for Year within staff costs		6,076		4,786

Contributions amounting to £164,000 for the TPS and £180,000 for the LGPS were payable to the scheme at 31 July and are included in creditors (2021: £166,000 and £160,000).

Notes to the Accounts *(continued)*

23 Defined Benefit Obligations *(continued)*

Teachers' Pension Scheme

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended) and other pension benefits are paid by public funds provided by Parliament.

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

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

The pension costs paid to TPS in the year amounted to £1,440,000 (2021: £1,400,000).

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The College is a member of three Local Government Pension Schemes: the Norfolk scheme, the Cambridgeshire (ex CCAH) scheme and the Cambridgeshire (ex Isle College) scheme. The Cambridgeshire (ex CCAH) scheme and the Cambridgeshire (ex Isle College) scheme, (the "Cambridgeshire Schemes") are both closed to new members.

The total contribution to the Norfolk and Cambridgeshire schemes made in respect of the year ended 31 July 2022 was £2,500,787 (2021: £2,239,000) of which employer contributions totalled £2,045,548 (2021: £1,837,000), and employees' contributions totalled £455,239 (2021: £402,000). The employer's contribution rate is currently 22.2%. The College also pays an annual deficit recovery contribution which has been agreed until 31 March 2023. In the year to 31 July 2022 the College will pay a deficit contribution of £357,000. The contribution rate for employees is 5.5% to 12.5%.

Notes to the Accounts *(continued)*

23 Defined Benefit Obligations *(continued)*

Principal Actuarial Assumptions

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

	At 31 July 2022		At 31 July 2021	
	Norfolk scheme	Cambridgeshire schemes	Norfolk scheme	Cambridgeshire schemes
Rate of increase in salaries	3.40%	3.25%	3.50%	2.70%
Future pensions increases	2.70%	2.75%	2.80%	2.20%
Discount rate for scheme liabilities	3.50%	3.50%	1.60%	1.40%
Inflation assumption (CPI)	10.01%	2.75%	2.80%	2.80%
Commutation of pensions to lump sums (pre April 2008 service)	50.00%	25.00%	50.00%	25.00%
Commutation of pensions to lump sums (post April 2008 service)	75.00%	63.00%	75.00%	63.00%

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

	At 31 July 2022		At 31 July 2021	
	Norfolk scheme years	Cambridgeshire schemes years	Norfolk scheme years	Cambridgeshire schemes years
<i>Retiring today</i>				
Males	21.70	22.00	21.90	22.20
Females	24.10	24.20	24.30	24.40
<i>Retiring in 20 years</i>				
Males	22.90	22.90	23.20	23.20
Females	26.00	26.00	26.20	26.20

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

	Long-term rate of return expected at 31 July 2022		Fair Value at 31 July 2022			Long-term rate of return expected at 31 July 2021		Fair Value at 31 July 2021		
	Norfolk scheme	Cambridgeshire schemes	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Norfolk scheme	Cambridgeshire schemes	Total
			£'000	£'000	£'000			£'000	£'000	£'000
Equities	1.50%	1.50%	30,527	3,345	33,872	1.50%	1.50%	30,375	3,236	33,611
Bonds	1.50%	1.50%	22,428	621	23,049	1.50%	1.50%	20,845	821	21,666
Property	1.50%	1.50%	7,476	764	8,240	1.50%	1.50%	6,551	676	7,227
Cash	1.50%	1.50%	1,869	48	1,917	1.50%	1.50%	1,787	97	1,884
Total market value of assets			62,300	4,778	67,078			59,558	4,830	64,388
Weighted average expected long term rate of return	1.50%	1.50%				1.50%	1.50%			
Actual return on plan assets			(1,495)		(1,495)			(1,429)		(1,429)

Notes to the Accounts (continued)

23 Defined Benefit Obligations (continued)

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

	2022			2021		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	62,299	4,778	67,077	59,559	4,829	64,388
Present value of plan liabilities	(68,617)	(4,018)	(72,635)	(95,260)	(5,405)	(100,665)
Net pensions (liability)/asset (Note 17)	(6,318)	760	(5,558)	(35,701)	(576)	(36,277)

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

Amounts included in staff costs

	2022			2021		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	4,647	-	4,647	3,412	-	3,412
Past service cost	22	-	22	12	-	12
Total	4,669	-	4,669	3,424	-	3,424

Amounts included in interest payable

	2022			2021		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Pension finance cost	591	10	601	472	15	487

Amount recognised in Other Comprehensive Gains and Losses:

	2022			2021		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Return on pension plan assets	837	66	903	8,673	745	9,418
Changes in assumptions underlying the present value of plan liabilities	31,731	1,277	33,008	(9,472)	(241)	(9,713)
Amount included in Other Comprehensive Gains and Losses	32,568	1,343	33,911	(799)	504	(295)

Notes to the Accounts (continued)

23 Defined Benefit Obligations (continued)

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

	2022			2021		
	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000
Net defined benefit (liability) at 1 August	(35,701)	(576)	(36,277)	(32,879)	(1,068)	(33,947)
Movement in year:						
Current service cost	(4,647)	-	(4,647)	(3,412)	-	(3,412)
Past service cost	(22)	-	(22)	(12)	-	(12)
Employer contributions	2,075	3	2,078	1,873	3	1,876
Net interest on the defined (liability)/asset	(591)	(10)	(601)	(472)	(15)	(487)
Actuarial gain or loss	32,568	1,343	33,911	(799)	504	(295)
Net defined benefit (liability) at 31 July	(6,318)	760	(5,558)	(35,701)	(576)	(36,277)

Asset and Liability Reconciliation:

	2022			2021		
	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000
Defined benefit obligations at start of period	95,260	5,405	100,665	82,503	5,278	87,781
Current Service cost	4,647	-	4,647	3,412	-	3,412
Interest cost	1,551	83	1,634	1,172	69	1,241
Contributions by Scheme participants	456	-	456	402	-	402
Experience gains and losses on defined benefit obligations						
Changes in financial assumptions	(35,497)	(1,269)	(36,766)	9,482	269	9,751
Changes in demographic assumptions	(308)	(22)	(330)	1,151	60	1,211
Other experience gains and losses	4,074	14	4,088	(1,161)	(88)	(1,249)
Estimated benefits paid	(1,588)	(193)	(1,781)	(1,713)	(183)	(1,896)
Past Service cost	22	-	22	12	-	12
Defined benefit obligations at end of period	68,617	4,018	72,635	95,260	5,405	100,665
Reconciliation of Assets						
Fair value of plan assets at start of	59,559	4,829	64,388	49,624	4,210	53,834
Interest on plan assets	960	73	1,033	700	54	754
Return on plan assets	837	66	903	8,673	745	9,418
Employer contributions	2,075	3	2,078	1,873	3	1,876
Contributions by Scheme participants	456	-	456	402	-	402
Estimated benefits paid	(1,588)	(193)	(1,781)	(1,713)	(183)	(1,896)
Assets at end of period	62,299	4,778	67,077	59,559	4,829	64,388

Notes to the Accounts *(continued)*

24 Events after the End of the Reporting Period

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

25 Related Party Transactions

Professor Roderick Watkins served as a governor during the year and is also Vice Chancellor of Anglia Ruskin University, the College's partner in University Centre West Anglia, a joint venture constituted to deliver higher education courses to College of West Anglia students. Income from the joint venture amounted to £1,686,738 (2020/21: £1,819,000). In addition, the College purchased a £3,000 Cisco Academy Premium Subscription from Anglian Ruskin University in the year (2020/21 £3,000). At the balance sheet date the College was owed £62,688 (2020/21: £nil)

Lee Smith served as a governor during the year and is also an employee of Anglia Ruskin University, the College's partner in University Centre West Anglia, a joint venture constituted to deliver higher education courses to College of West Anglia students. Income from the joint venture amounted to £1,686,738 (2020/21: £1,819,000). In addition, the College purchased a £3,000 Cisco Academy Premium Subscription from Anglian Ruskin University in the year (2020/21 £3,000). At the balance sheet date the College was owed £62,688 (2020/21: £nil)

Alan Measures served as a governor during the year and is also a shareholder in Measures Farms Ltd which owns farmland at Sawtry over which the College of West Anglia has an interest in the form of a right to overage in the event of the development of the land for non-agricultural purposes accruing within 30 years of the sale of the land to Measures Farms Ltd in 1997.

David Pomfret and Ruth Harrison respectively served as Principal and Vice Principal, Curriculum and Quality and also served as directors of University Centre West Anglia, a joint venture constituted to deliver higher education courses to College of West Anglia students. Income from the joint venture amounted to £1,686,738 (2020/21: £1,819,000). At the balance sheet date the College was owed £62,688 (2020/21: £nil)

Gill Rejzl served as a governor during the year and also served on the board of Freebridge Community Housing from March 2021. The College of West Anglia leases rooms at Providence Street from Freebridge Community Housing at a cost of £37,000 a year. Additionally, the College earned £16,200 (2020/21: £7,000) in the year in respect of students Freebridge Community Housing placed on HE access courses at the College. At the balance sheet date no Debtor or creditor balance was due (2020/21: £nil)

Lucy Nethsingha served as a governor until 19th May 2021 and also served as a Cambridgeshire County Councillor. The College paid Cambridgeshire County Council £4,400 in the year 2020/21 for project work in support of apprenticeship delivery.

Samantha Fletcher served as a governor in the year and was also employed by Norfolk County Council. The College purchased training provision and leased premises at Downham Market from Norfolk County Council in the sum of £218,114 in the year (2020/21: £168,000). At the balance sheet date the college owed £11,415 (2020/21: £nil).

Samantha Fletcher served as vice chair of which her husband is Principal of Kings Lynn Academy. The College of West Anglia earned £76,217 (2020/21: £nil) income in respect of delivering courses for 14-16 year old students. At the balance sheet date no Debtor or creditor balance was due (2020/21: £nil)

The total expenses paid to or on behalf of the Governors during the year were £50; 1 governor (2020/21: £40; 1 governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

Transactions and balances with the Education and Skills Funding Agency and OfS are detailed in notes 2, 3, 11, 13, 14, 15 and 25.

Notes to the Accounts *(continued)*

26 Amounts Disbursed as Agent

	2022	2020
	£'000	£'000
Access Funds		
Funding body grants - hardship support	816	750
Interest earned	-	-
	<u>816</u>	<u>750</u>
Disbursed to students	(599)	(477)
Administration costs	(30)	(22)
	<u>187</u>	<u>251</u>
	<u>187</u>	<u>251</u>
Other Learner Support Funds		
Funding body grants – bursary support	60	57
	<u>60</u>	<u>57</u>
Disbursed to students	(54)	(49)
Administration costs	-	-
	<u>6</u>	<u>8</u>
Balance unspent as at 31 July, included in creditors	<u>6</u>	<u>8</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements have therefore been excluded from the income and expenditure account, other than when the College has directly incurred expenditure itself.

The income and expenditure consolidated in the College's financial statements relates to the purchase of some equipment from the access fund and the payment of accommodation by the College on students' behalf.