

**The College of West Anglia**

**Report and Financial Statements  
for the year ended 31 July 2023**

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## Reference and Administrative Details

### Board of Governors

A full list of Governors is given on pages 11 to 12 of these financial statements.

### Senior Management Team

Key management personnel are defined as members of the Senior Management Team and were represented by the following in 2022/23

David Pomfret	Principal and CEO; Accounting Officer
Kerry Heathcote	Vice Principal, Curriculum and Quality
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 Jules Bridges (from December 2022). Stephen Halls was the Clerk until December 2022.

### Principal Office

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

### Professional Advisers:

#### *Financial Statement Auditor*

RSM UK Audit LLP  
Blenheim House  
Newmarket Road  
Bury St Edmunds  
IP33 3SB

#### *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 2023.

#### 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 2022 the Corporation approved the College's Strategic Plan covering the period 2022 - 2025. The College's strategic ambitions under this strategy are 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 £22.4m. At the year-end, there was a cash balance of £11.0m. The Group has no long-term debt.

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

#### *People*

The College employs 750 people, of whom 420 are engaged in teaching and teaching support.

#### *Student numbers*

In 2022/23, the College delivered activity that generated £25.6m in main allocations (2021/22 - £24.2m). The College enrolled approximately 5,450 students. The student population included 135 14-16 year olds, 2,708 16-18 year olds, 983 apprentices, 243 higher education students and 1,384 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)
- University of Huddersfield
- 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 12.

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 £0.4m (2021/22 - deficit of £2.8m). The improvement in financial performance from the prior year was largely due to increases in main funding body grants (increase of £1.4m), other grant income (£0.6m) and miscellaneous income (£0.7m) offset by increases in staff costs (£0.4m).

The Group's total comprehensive income for the year (£5.4m) (£31.1m in 2021/22) includes a small surplus on the disposal of equipment (£4k) (against a surplus on disposal of £14k in 2021/22) and an actuarial gain on pension schemes of £5.8m (compared to an actuarial gain of £33.9m in 2021/22).

At the balance sheet date, the Group held net current assets of £3.6m and net assets of £22.4m (£1.7m net current assets and £17.0m net assets in 2021/22).

## **Members' Report** *(continued)*

### **Cash Flows and Liquidity**

The Group's net cash inflow from operating activities in the year was £2.6m (inflow of £1.1m in 2021/22). Overall, cash levels increased by £2.7m in 2022/23 (decrease of £1.2m in 2021/22).

The Group's repaid the last tranche (£0.9m) of a long-term loan in July 2023. There was no borrowing at the year-end.

### **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 2022/23, these bodies provided 78% of the Group's total income (81% in 2021/22).

### **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 £5,239 (2022: loss of £4,736) and CWA Enterprises Limited made a profit of £390,093 (2022: profit of £294,581) before a gift aid distribution to the College of £nil (2022: £323,462)

## **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. Replacing the roof on a tower block in King's Lynn, which suffered storm damage, is a current priority.

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 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. The School has been a major success and funding has been obtained to extend the building with a view to increasing the scope of care and medical-related courses on offer.

Funding is also in place to build Green Energy Centres at King's Lynn and Wisbech. These facilities will allow the College to build on projects that ran with partners in 2022/23 in Cambridgeshire and Norfolk to develop green skills curricula.

Finally, third party funding has also been made available to construct a building at the College's Cambridge Campus in which to deliver science and veterinary courses.

## Members' Report *(continued)*

### 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 servicing capacity has improved from "Requires Improvement" in 2018/19 to "Good" in 2021/22. These financial statements are also 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 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.

### 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 green skills and further activity through the School of Nursing Studies
- Improving 16-19 year old demographics in the College's areas of operations
- The positive cash position of the College (£11.0m at 31 July 2023)
- 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 approach 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 individual risks arising is allocated to specific managers.

## **Members' Report** *(continued)*

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. The risk register is considered at each meeting of the Audit Committee and is reported to the Corporation.

Outlined below are the principal risks that may affect the College's ability to meet its strategic objectives. 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 2022/23 which were approved by the Corporation in July 2022 are shown in the table below:

Strategic target:	Outturn 2021/22	Outturn 2022/23	2022/23 target	Achieved
Generate income in excess of:	£29.3m	£32.7m	£30.5m	✓
Deliver an outturn in line with the budgeted surplus:	£416k	*£40k	>51k	x
Generate apprenticeship income of:	£3.7m	£4.0m	£3.8m	✓
Meet or exceed our Adult Education Budget target of:	£2.0m	£1.8m	£2.0m	x
Achieve a 19+ loans target of:	£412k	£423k	£392k	✓
Achieve a commercial income target of:	£0.8m	£1.9m	£1.2m	✓
Achieve Higher Education income of:	£1.7m	£1.4m	£1.5m	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:	70.7%	73.6%	<74.0%	✓
Achieve an average contribution from income centres of:	39.1%	33.5%	44.9%	x
Maintain a positive cash balance throughout the year and a year-end cash balance of at least:	£8.2m	£11.0m	>£8.0m	✓

\*The £40k surplus outturn is the 2022/23 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)		40
FRS 102 (108) adjustments (from Note 23):		
Norfolk Scheme	-262	
Cambridge Scheme	3	
Net Interest cost	-200	
		-459
Gain for the year (Consolidated and College Statements of Comprehensive Income)		-419
Actuarial gain (from Note 23)		5,831
Total Comprehensive Gain for the year (Consolidated and College Statements of Comprehensive Income)		5,412

#### Student Achievements

Students continue to prosper at the College. Achievement rates remained high in 2022/23. 98% of known destinations for 16-19 year olds who completed a course in 2022/23 were positive.

#### 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:

## Members' Report *(continued)*

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

### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting period 1 August 2022 to 31 July 2023, the College paid 56 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

### 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 for disabled access have been made to existing buildings and accessibility for disabled people is an integral part of CWA's accommodation strategy
- CWA's public website meets (and often exceeds) all required accessibility standards
- The College employs an Additional Learning Support team, which provides information and advice, assesses individual needs and arranges additional support where necessary for students with disabilities and learning difficulties
- An extensive team of learning support staff provide tailored support for students across all curriculum areas.
- Specialist equipment and assistive technology is available and used to facilitate access to learning for a wide range of disability and learning difficulties.
- Specialist programmes and the range of support for students with special educational needs and disabilities are described in College marketing material
- Welfare, safeguarding and mental health support services are described and promoted to students during the induction process

**Members' Report** (continued)

**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:

Number of employees who were relevant union officials during the relevant period	FTE employee number
5	0.22

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	£8,708
Total pay bill	£21,467,000
Percentage of total bill spent on facility time	0.04%

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**

There are no events after the end of the reporting period that would affect the disclosures made in these 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 29<sup>th</sup> January 2024 and signed on its behalf by:



**G Rejzl**  
**Chair**

## **Statement of Corporate Governance and Internal Control**

### **Governance Statement**

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 2022 to 31st July 2023 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 2018 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 (revised September 2021) and the Senior Post Holder Remuneration Code (December 2018). 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 Corporation, the College complies with the provisions of the Code of Good Governance for English Colleges (revised September 2021), 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 29 March 2023 for the year ended 31 July 2023. Prior to this date the College complied with the provisions of Code of Good Governance for English Colleges first adopted by the Corporation on 16 March 2016 and prior to that the Foundation Code of Governance. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance. 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, and later adopted the revised Code of Good Governance for English Colleges (published September 2021) on 29 March 2023 and reported against this revised version for 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 Governance Framework**

The composition of the Corporation, together with attendance at Corporation meetings, is set out on pages 11 to 12. 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 governors meet for two further planning/training and strategy 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 included the Chairs’ Meeting Group in the year which ceased to exist on 29 March 2023. It’s membership and business was transferred to the work of the Search and Governance Committee. 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 website ([www.cwa.ac.uk/about/governance](http://www.cwa.ac.uk/about/governance)) or are available from the Head of Governance at:

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

### The Corporation

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 Meeting Attendance To 31/7/23
Chris Ashman	December 2017 Re-appointed December 2021	4 years		Governor	CMG (Chair) EPC PR&Q RC (Chair) S&G	90%
David Clark	July 2019 Re-appointed July 2023	4 years		Governor	Audit S&G (Chair)	100%
Kay Driver	July 2022	4 years	Resigned August 2023	Governor	Audit EPC	100%
Mark Eastwood	July 2022	4 years	Resigned August 2023 (transferred to co-opted role)	Governor	Audit	50%
Samantha Fletcher	March 2017 Re-appointed March 2021	4 years		Governor	CMG PR&Q (Chair) S&G	75%
Ray Harding	July 2019 Re-appointed July 2023	4 years		Governor	Audit (Chair) CMG S&G	100%
Sebastian Ivanov	September 2023	4 years		Governor	Audit	N/A
Tony Kenber	July 2022	4 years	Resigned March 2023	Governor	F&GP	100%
Scott Leadley	December 2011 Re-appointed October 2019	4 years	Term of office completed October 2023	Staff Governor	PR&Q	100%
William McEvansoneya	December 2022	4 years / Length of study	Completed July 2023	Student Governor	n/a	67%
Alan Measures	December 2017 Re-appointed December 2021	4 years		Governor	F&GP	100%
Fliss Miller	March 2023	4 years		Governor	PR&Q	100%
Sally Mitton	March 2021	4 years		Governor	EPC (Chair) RC S&G	75%
David Pomfret	July 2007	Term of Appointment		Principal/ Chief Executive	CMG EPC F&GP PR&Q S&G	100%

## Statement of Corporate Governance and Internal Control (continued)

Name	Date of Appointment / Re-appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Corporation Meeting Attendance To 31/7/23
Carolyn Rand	March 2021	4 years		Governor	Audit (to June 2023) Transferred to F&GP (June 2023)	50%
Gill Rejzl	October 2019	4 years		Governor	CMG S&G	100%
Lee Smith	October 2019	4 years	Resigned September 2023	Governor	PR&Q	25%
Hein van den Wildenberg	March 2021	4 years		Governor	CMG F&GP (Chair) RC S&G	100%
Donna Woodruff	October 2020	4 years		Staff Governor	F&GP	100%
<b>Co-opted Non-governors:</b>						
Michael Andrews	May 2015 Re-appointed March 2019	4 years	Term of office completed March 2023	Co-opted Governor	Audit	67%
Mark Eastwood	July 2022	4 years		Co-opted Governor wef Sept 2023	Audit	N/A
Sharon Edwards	July 2023	4 years		Co-opted Governor	Audit	N/A
Malcolm Pearson	July 2023	4 Years		Co-opted Governor	F&GP	N/A
F&GP: Finance & General Purposes PR&Q: Performance Review & Quality RC: Remuneration S&G: Search & Governance CMG: Chairs' Meeting Group						
<b>Attendance During 2022/23:</b> Corporation members achieved an overall attendance rate of 86% for all meetings and 82% for Corporation meetings. Reasons for members' non-attendance have been discussed with and accepted by the Search and Governance Committee						

The Head of Governance 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 can take independent professional advice in the furtherance of their duties at the College's expense and have access to the Head of Governance, who is responsible to the Corporation for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Head of Governance are matters for the Corporation as a whole. The Clerk to the Corporation, Stephen Halls, retired in December 2022, replaced by Julie Bridges, Head of Governance.

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

Except for two staff governors 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.

## **Statement of Corporate Governance and Internal Control** *(continued)*

### **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 eight members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration, and approval. The Corporation is responsible for ensuring that appropriate induction and 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. The one governor who remained on the Corporation under the transition arrangements is due to complete their term in the 2023/24 academic year.

### **Corporation Performance**

The Corporation reviews its performance each year via individual committee reviews, individual governor self-assessment, and a review of governance. 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 2023 and approved by the Corporation, also in October 2023; governance was considered to be 'Good' and 'Strong.' The Corporation has commissioned its external governance review to take place in the Spring term of 2023/24.

### **Training & Development**

All new governors joining the Corporation receive an induction from the Head of Governance, appropriate to their role (independent governor, student governor, staff governor or co-opted member). The Chair attends the AoC's Chairs' network group. The Chair of the Finance & General Purposes Committee and the Chair of the Audit Committee attend the AoC's Finance Chairs' network group. The Chair of the Performance Review & Quality Committee attends the AoC's Curriculum & Quality Chairs' network group. Governors attended a training morning in November 2022 on FE Finance and Funding delivered by Andrew Tyley of the Association of Colleges and a strategic development session in April 2023 to develop the Accountability Agreement ahead of submission by 31 May 2023, and developed the future strategic plan for 2023-2026. All governors in the year received Safeguarding refresher training and where applicable online Prevent training via the Home Office. Governors were invited, and attended the AoC governors' summit (online), a 2-day event in June 2023. All 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. The Head of Governance holds a training record for each Governor and committees can record their own specific training needs as part of the annual review of performance.

The Head of Governance attends all group training and development sessions along with Governors. The Head of Governance receives all newsletters and briefing notes from the Association of Colleges, the Education and Training Foundation, and the Education & Skills Funding Agency. The Head of Governance is a member of, and regularly attends the meetings of the AoC East Clerks and Governance Professionals' Network group. The Clerk receives information, guidance, and support from the national Clerks' network and is a subscriber to the FE Clerks JISCMail service. In the year the Head of Governance attended the 2-day AoC Governance Professionals' Conference 2023, the AoC Midlands and East Ofsted Roadshow, Update on Inspections for 2022/23 and the ETF Governance Development Programme: Meeting local needs.

### **Remuneration Committee**

Throughout the year ending 31 July 2023, the College's Remuneration Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer and other senior post holders, including the Head of Governance. The College has adopted the (revised September 2021) Code of Good Governance for English Colleges and, since October 2019, the Senior Post Holder Remuneration Code. In accordance with the Remuneration Code, the requirements under Managing Public Money and Senior Pay Controls, the Committee produces an annual report on its activities which is reported to the Corporation and then published on the College website.

Details of remuneration for the year ended 31 July 2023 are set out in note 7 to the financial statements.

## Statement of Corporate Governance and Internal Control *(continued)*

### Audit Committee

The Audit Committee has a membership of six, comprising one co-opted member, and five members of the Corporation (excluding the Accounting Officer and Chair of the Corporation). The committee currently has one vacancy. 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 met four times in the year with the purpose to provide 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.

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 2023. The members of the committee and their respective attendance details are shown below:

Committee Member	Meetings Attended	Meetings Required	% Attendance	Notes
Michael Andrews (co-opted)	2	3	67%	Term of office completed March 2023
David Clark	4	4	100%	
Kay Driver	3	4	75%	Resigned August 2023
Mark Eastwood	3	4	75%	Resigned August 2023 (transferred to co-opted role)
Ray Harding (Chair)	4	4	100%	
Sebastian Ivanov	0	0	N/A	Appointed September 2023
Carolyn Rand	3	3	100%	Transferred to membership of F&GP
Sharon Edwards (co-opted)	0	0	N/A	Appointed July 2023

### Search and Governance Committee

The Search and Governance Committee has a membership of eight members of the Corporation. The committee has no vacancies, as at 1 August 2023. 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.



## Statement of Corporate Governance and Internal Control *(continued)*

### 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/CEO, 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 Agreement between the College and the 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*

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 2023 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 2023 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. It includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation
- regular reviews by the Corporation 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

## Statement of Corporate Governance and Internal Control *(continued)*

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which 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 the 2022/23 academic year 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 included, but was 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 Corporation 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 to seek assurance that processes remain compliant. A Subcontracting Management Compliance Audit was undertaken by Internal Auditors, submitted to the ESFA on/before 31 July 2023. A full funding audit for the academic year 2022/23 has been commissioned by the ESFA.

At no time has the Principal/CEO, who is the Accounting Officer considered it necessary to advise the Corporation that any action or policy under its consideration was incompatible with conditions of funding. The Corporation has monitored the submission of financial plans through timely approvals of the Integrated Financial Model, budgets and forecasts as well as ensuring monitoring of the management accounts. The Report and Financial Statements are available through the College website. The Corporation has also ensured that the terms and conditions of specific funding streams such as capital grants have also been met.

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

### *Statement from the Audit Committee*

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

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

- Procurement – undertaken in February 2023 and reviewed by the Audit Committee in June 2023. The overall rating for this audit was “reasonable assurance” with four low and one medium rated recommendation to improve process and practice.

- Governance – undertaken in May 2023 and reviewed by the Audit Committee in June 2023. The overall rating for this audit was ‘significant assurance; with one medium rated recommendation to improve process and practice.
- Assurance Framework – this advisory audit was undertaken in March 2023 and reviewed by the Audit Committee in June 2023. The audit advised three low rated recommendations to progress the effectiveness of the assurance framework.

*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

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 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2023.

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”.

Approved by order of the members of the Corporation on 29 January 2024 and signed on its behalf by:



**G Rejzl**  
Chair  
29 January 2024



**D Pomfret**  
Accounting Officer  
29 January 2024

## Statement on the College's Regularity, Propriety and Compliance

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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

I confirm that the following instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered and have been notified to ESFA. If any further instances are identified after the date of this statement, these will be notified to ESFA:

- A special severance payment of £16,500 was made to an ex-employee of the College after the reclassification of colleges as public sector organisations. Under the revised arrangements, this transaction should have been approved by the DfE, in accordance with paragraph 13 of the ESFA's bite sized guides, 'College requirements for special payments including severance, compensation and ex gratia payments' published by the ESFA, however, this approval was not sought. The College has made an application for retrospective approval from the Department but this is still under consideration and has not been granted at today's date.

**D Pomfret**  
**Accounting Officer**  
29<sup>th</sup> January 2024



### Statement of the chair of governors

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.



**G Rejzl**  
**Chair**  
29 January 2024

## Statement of Responsibilities of the Members of the Corporation

The members of the Corporation (who act as trustees for the charitable activities of the College) are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Corporation's grant funding agreement and contracts with Education and Skills Funding Agency (ESFA), the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the College for that period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

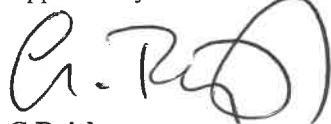
The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Corporation, and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education Act 1992, the Charities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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities following the reclassification of college corporations on 29 November 2022.

Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 29th January 2024 and signed on its behalf by:



G Rejzl

Chair

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

### **Opinion**

We have audited the financial statements of the College of West Anglia (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2023 which comprise the consolidated and college statements of comprehensive income, the consolidated and college statements of changes in reserves, the consolidated and college balance sheets, the consolidated and college statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2023 and of the Group's and the College's deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

### **Responsibilities of the Corporation of the College of West Anglia**

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 20, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and College operate in and how the group and college are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting any correspondence with local tax authorities and evaluating any advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group/college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls, existence and valuation of apprenticeship income and completeness of certain other income streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and tests of detail in respect of income.

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



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

**Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 21 April 2023. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

RSM UK AUDIT LLP

Chartered Accountants

Blenheim House

Newmarket Road

Bury St Edmunds

Suffolk, IP33 3SB

29 January 2024

## Consolidated and College Statements of Comprehensive Income

	Notes	Year ended 31 July		Year ended 31 July	
		2023	2023	2022	2022
		Group	College	as Restated	as Restated
		£'000	£'000	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	2	25,635	25,635	24,230	24,230
Tuition fees and education contracts	3	4,505	4,020	4,270	3,883
Research grants and contracts	4	46	46	216	216
Other income	5	2,524	2,731	1,094	1,266
Endowment and investment income	6	14	14	1	1
<b>Total income</b>		<b>32,724</b>	<b>32,446</b>	<b>29,811</b>	<b>29,596</b>
<b>EXPENDITURE</b>					
Staff costs	7	22,312	22,312	21,864	21,864
Other operating expenses	8	8,165	7,874	7,901	7,679
Depreciation	12	2,447	2,425	2,186	2,157
Interest and other finance costs	10	223	223	650	650
<b>Total expenditure</b>		<b>33,147</b>	<b>32,834</b>	<b>32,601</b>	<b>32,350</b>
<b>(Deficit) before other gains and losses</b>		<b>(423)</b>	<b>(388)</b>	<b>(2,790)</b>	<b>(2,754)</b>
Gain on disposal of fixed assets		4	4	14	14
<b>(Deficit) before tax</b>		<b>(419)</b>	<b>(384)</b>	<b>(2,776)</b>	<b>(2,740)</b>
Taxation	11	-	-	-	-
<b>(Deficit) for the year</b>		<b>(419)</b>	<b>(384)</b>	<b>(2,776)</b>	<b>(2,740)</b>
Actuarial gain/(loss) in respect of pension schemes	23	5,831	5,831	33,911	33,911
<b>Total Comprehensive Gain/(Loss) for the year</b>		<b>5,412</b>	<b>5,447</b>	<b>31,135</b>	<b>31,171</b>

All items of income and expenditure relate to continuing activities.

The notes on pages 28 to 53 form part of these financial statements.

## Consolidated and College Statement of Changes in Reserves Year ended 31 July 2023

	General Reserve (including pension reserve) £'000	Revaluation Reserve £'000	Total £'000
<b>Group</b>			
<b>Balance at 1st August 2021</b>	(15,956)	1,773	(14,183)
(Deficit) from the income and expenditure statement	(2,776)	-	(2,776)
Other comprehensive loss	33,911	-	33,911
	31,135	-	31,135
<b>Balance at 31st July 2022</b>	15,179	1,773	16,952
(Deficit) from the income and expenditure statement	(419)		(419)
Other comprehensive gain	5,831		5,831
<b>Total comprehensive gain for the year</b>	5,412	-	5,412
<b>Balance at 31st July 2023</b>	<b>20,591</b>	<b>1,773</b>	<b>22,364</b>
<b>College</b>			
<b>Balance at 1st August 2021</b>	(15,575)	1,773	(13,802)
(Deficit) from the income and expenditure statement	(2,740)	-	(2,740)
Other comprehensive loss	33,911	-	33,911
	31,171	-	31,171
<b>Balance at 31st July 2022</b>	15,596	1,773	17,369
(Deficit) from the income and expenditure statement	(384)		(384)
Other comprehensive gain	5,831		5,831
<b>Total comprehensive gain for the year</b>	5,447	-	5,447
<b>Balance at 31st July 2023</b>	<b>21,043</b>	<b>1,773</b>	<b>22,816</b>

The notes on pages 28 to 53 form part of these financial statements.

## Consolidated and College Balance Sheets as at 31 July 2023

	Notes	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
<b>Fixed assets</b>					
Tangible fixed assets	12	41,744	41,716	42,724	42,674
Investments	13	-	3,344	-	3,344
		<u>41,744</u>	<u>45,060</u>	<u>42,724</u>	<u>46,018</u>
<b>Current assets</b>					
Stocks		15	-	-	-
Trade and other receivables	14	1,412	1,349	1,636	1,515
Cash and cash equivalents	19	10,967	10,967	8,242	8,240
		<u>12,394</u>	<u>12,316</u>	<u>9,878</u>	<u>9,755</u>
<b>Less: Creditors – amounts falling due within one year</b>	15	<b>(8,808)</b>	<b>(11,594)</b>	<b>(8,159)</b>	<b>(10,913)</b>
<b>Net current assets / (liabilities)</b>		<u><b>3,586</b></u>	<u><b>722</b></u>	<u><b>1,719</b></u>	<u><b>(1,158)</b></u>
<b>Total assets less current liabilities</b>		<b>45,330</b>	<b>45,782</b>	<b>44,443</b>	<b>44,860</b>
<b>Less: Creditors – amounts falling due after more than one year</b>	16	<b>(22,780)</b>	<b>(22,780)</b>	<b>(21,820)</b>	<b>(21,820)</b>
<b>Provisions</b>					
Defined benefit obligations	18	(186)	(186)	(5,558)	(5,558)
Other provisions	18	-	-	(113)	(113)
<b>Total net assets / (liabilities)</b>		<u><b>22,364</b></u>	<u><b>22,816</b></u>	<u><b>16,952</b></u>	<u><b>17,369</b></u>
<b>Unrestricted reserves</b>					
Income and expenditure account		20,591	21,043	15,179	15,596
Revaluation reserve		1,773	1,773	1,773	1,773
<b>Total unrestricted reserves</b>		<u><b>22,364</b></u>	<u><b>22,816</b></u>	<u><b>16,952</b></u>	<u><b>17,369</b></u>

The financial statements on pages 28 to 53 were approved and authorised for issue by the Corporation on 29<sup>th</sup> January 2024 and were signed on its behalf on that date by:

  
G Rejz  
Chair

  
D Pomfret  
Accounting Officer

## Consolidated and College Statements of Cash Flows

### Year ended 31 July 2023

	Notes	2023	2022	2023	2022
		Group	Group	College	College
		£'000	£'000	£'000	£'000
<b>Cash inflow from operating activities</b>					
(Deficit) for the year		(419)	(2,776)	(384)	(2,740)
<b>Adjustment for:</b>					
Depreciation		2,447	2,186	2,425	2,157
Profit on disposal of tangible fixed assets		(4)	(14)	(4)	(14)
Deferred capital grants released to income		(1,248)	(1,024)	(1,248)	(1,024)
Decrease in debtors		224	(485)	167	(408)
Increase in stock		(15)	-	-	-
(Decrease) in creditors		1,286	524	1,317	506
(Decrease) / increase in provisions		(113)	(529)	(113)	(529)
Pensions costs less contributions payable		459	3,192	459	3,192
<b>Adjustment for investing or financing activities:</b>					
Investment income		(14)	(1)	(14)	(1)
Interest expense		23	48	23	48
<b>Net cash flow from operating activities</b>		<b>2,626</b>	<b>1,121</b>	<b>2,628</b>	<b>1,187</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of fixed assets		4	14	4	14
Deferred capital grants received		2,390	938	2,390	938
Investment income		14	1	14	1
Payments made to acquire fixed assets		(1,417)	(2,272)	(1,417)	(2,333)
		<b>991</b>	<b>(1,319)</b>	<b>991</b>	<b>(1,380)</b>
<b>Cash Flows from financing activities</b>					
Interest paid		(23)	(48)	(23)	(48)
Repayments of amounts borrowed		(869)	(911)	(869)	(911)
		<b>(892)</b>	<b>(959)</b>	<b>(892)</b>	<b>(959)</b>
<b>Increase / (Decrease) in cash and cash equivalents in the year</b>		<b>2,725</b>	<b>(1,157)</b>	<b>2,727</b>	<b>(1,152)</b>
Cash and cash equivalents at beginning of the year	18	8,242	9,399	8,240	9,392
Cash and cash equivalents at end of the year	18	10,967	8,242	10,967	8,240

The notes on pages 28 to 53 form part of these financial statements.

## **Notes to the Accounts**

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

#### **General information**

The College of West Anglia is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 1. The nature of the College's operations is set out in the Members' Report.

#### **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 2022-3 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 following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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

#### **Basis of accounting**

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

The consolidated financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are round to the nearest whole £1,000, except where otherwise indicated.

#### **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 2023.

A Joint Venture (The University College of West Anglia) between the College of West Anglia and Anglia Ruskin University has not been accounted for in line with FRS 102 on the grounds of materiality. The only entry in these accounts is the College's actual revenue due under the contract for the year which has been taken through the Statement of Comprehensive Income.

#### **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.

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.

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

### Recognition of Income

#### *Revenue grant funding*

Further Education 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.

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.

#### *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.

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*

The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

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

### **Accounting for Post-Employment Benefits (continued)**

#### *Local Government Pension Schemes*

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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

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

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

#### **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.

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



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

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

- 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.

#### **Financial Instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

#### *Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **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.

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

### Taxation (continued)

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.

#### *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 asset/liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to including in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance and the operation of the primary and secondary contributions.

Notes to the Accounts (continued)

2 Funding Body Grants

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	restated Group	restated College
	£'000	£'000	£'000	£'000
Education and Skills Funding Agency - adult	1,549	1,549	1,570	1,570
Education and Skills Funding Agency - adult devolved allocations:				
Cambridgeshire and Peterborough Combined Authority	370	370	488	488
Education and Skills Funding Agency - 16-18	17,722	17,722	16,634	16,634
Education and Skills Funding Agency - apprenticeships	3,970	3,970	3,736	3,736
<b>Specific Grants</b>				
Education and Skills Funding Agency - teachers pension grant	549	549	470	470
Education and Skills Funding Agency - capacity and development grant	227	227	308	308
Releases of government capital grants	1,248	1,248	1,024	1,024
<b>Total</b>	<b>25,635</b>	<b>25,635</b>	<b>24,230</b>	<b>24,230</b>

3 Tuition Fees and Education Contracts

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	restated Group	restated College
	£'000	£'000	£'000	£'000
Fees - full cost provision	544	59	417	30
Fees - other funded provision	125	125	128	128
Fees for FE loan supported courses	423	423	412	412
<b>Total tuition fees</b>	<b>1,092</b>	<b>607</b>	<b>957</b>	<b>570</b>
Education contracts	3,413	3,413	3,313	3,313
<b>Total</b>	<b>4,505</b>	<b>4,020</b>	<b>4,270</b>	<b>3,883</b>

4 Research Grants and Contracts

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	restated Group	restated College
	£'000	£'000	£'000	£'000
European Commission	46	46	216	216

Notes to the Accounts (continued)

5 Other Income

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	restated Group	restated College
	£'000	£'000	£'000	£'000
Catering and residences	478	478	353	353
Other income generating activities	79	79	76	76
Other grant income	805	805	135	135
Miscellaneous income	1,162	1,369	530	702
	<u>2,524</u>	<u>2,731</u>	<u>1,094</u>	<u>1,266</u>

6 Investment Income

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	14	14	1	1

Notes to the Accounts (continued)

7 Staff Costs and Key Management Personnel Remuneration – Group and College

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

	2023	2022
	No.	No.
Teaching staff	273	239
Teaching support staff	147	146
Non teaching staff	<u>330</u>	<u>326</u>
	<u>750</u>	<u>711</u>
<b>Staff costs for the above persons</b>	<b>2023</b>	2022
	<b>£'000</b>	restated £'000
Wages and salaries	16,482	13,569
Social security costs	1,330	1,137
Other pension costs	<u>4,136</u>	<u>6,076</u>
	21,948	20,782
Subcontracted out staff services	<u>286</u>	<u>980</u>
	<u>22,234</u>	<u>21,762</u>
Restructuring costs		
- Contractual	44	83
- Non-contractual	<u>34</u>	<u>19</u>
<b>Total staff costs</b>	<u>22,312</u>	<u>21,864</u>

**Severance payments**

The college paid 4 severance payments in the year, disclosed in the following bands:

£0 - £25,000	5
£25,001 - £50,000	-
£50,001 - £100,000	-

Included in staff restructuring costs are special severance payments totalling £34,056 (2022: £18,529). Individually, the payments were: £2,000, £2,556, £3,000, £10,000 and £16,500.

Notes to the Accounts (continued)

7 Staff Costs and Key Management Personnel Remuneration – Group and College (continued)

**Key Management Personnel**

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	5	7
	<u>5</u>	<u>7</u>

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	5	7
	<u>5</u>	<u>7</u>
	2023 No.	2022 No.
£60,001 to £65,000	-	2
£65,001 to £75,000	2	-
£75,001 to £80,000	-	1
£80,001 to £85,000	-	1
£85,001 to £90,000	2	1
£90,001 to £95,000	-	1
£140,001 to £145,000	-	1
£170,001 to £175,000	1	-
	<u>5</u>	<u>7</u>

Notes to the Accounts (continued)

7 Staff Costs and Key Management Personnel Remuneration – Group and College (continued)

Key management personnel compensation is made up as follows:

	2023	2022
	£'000	£'000
Basic salary	481	440
Employer's national insurance	61	56
Pension contributions	81	97
	<u>623</u>	<u>593</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:

	2023	2022
	£'000	£'000
Basic salary	174	145
Pension contributions	9	34
	<u>183</u>	<u>179</u>

The governing body adopted the Association of Colleges' Senior Staff Remuneration Code.

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.

Notes to the Accounts (continued)

7 Staff Costs and Key Management Personnel Remuneration – Group and College (continued)

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

	2023 £'000	2022 £'000
Principal and Chief Executive's basic salary as a multiple of the median of all staff (excluding Agency staff)	<u>7.07</u>	<u>6.06</u>
Principal and Chief Executive's total remuneration as a multiple of the median of all staff (excluding Agency staff)	<u>5.68</u>	<u>6.14</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.

8 Other Operating Expenses

	Year ended 31 July		Year ended 31 July	
	2023	2023	2022	2022
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	4,810	4,505	4,533	4,194
Non teaching costs	1,419	1,389	1,451	1,437
Premises costs	1,936	1,980	1,917	2,048
<b>Total</b>	<u>8,165</u>	<u>7,874</u>	<u>7,901</u>	<u>7,679</u>

Other operating expenses include:

	2023 £'000	2022 restated £'000
Auditors' remuneration:		
Financial statements audit*	94	91
Internal audit**	14	8
Other services provided by the financial statements auditors	-	-
Hire of asset under operating leases	44	41
	<u>156</u>	<u>140</u>

\* includes £80,000 in respect of the College (2021/22 £77,500)

\*\* includes £14,300 in respect of the College (2021/22 £7,630)

9 Write offs, losses, guarantees, letters of comfort, compensation payments etc

The College made one special severance payment to an ex-member of staff during the year. This was made on commercial grounds and with legal advice that the payment represented value for money.

There is a letter of comfort in place between the College and one of its subsidiaries, CWA Developments, that offers financial support, including not seeking repayment of amounts made available, for at least the next twelve months from the date of the Company signing its financial statements.



Notes to the Accounts (continued)

10 Interest and other Finance Costs – Group and College

	2023 £'000	2022 £'000
On bank and other loans:	<u>23</u>	<u>48</u>
	23	48
Net interest on defined pension liability (note 23)	<u>200</u>	<u>602</u>
<b>Total</b>	<u><u>223</u></u>	<u><u>650</u></u>

11 Taxation – Group Only

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

12 Tangible Fixed Assets

*Group*

	Freehold Land and buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost or valuation</b>				
At 1 August 2022	69,671	20,519	873	91,063
Additions	-	992	475	1,467
Disposals	-	(78)	-	(78)
Transfers	(443)	443	-	-
<b>At 31 July 2023</b>	<u><b>69,228</b></u>	<u><b>21,876</b></u>	<u><b>1,348</b></u>	<u><b>92,452</b></u>
<b>Depreciation</b>				
At 1 August 2022	29,343	18,996	-	48,339
Charge for the year	1,635	812	-	2,447
Elimination in respect of disposals	-	(78)	-	(78)
<b>At 31 July 2023</b>	<u><b>30,978</b></u>	<u><b>19,730</b></u>	<u><b>-</b></u>	<u><b>50,708</b></u>
<b>Net book value at 31 July 2023</b>	<u><u><b>38,250</b></u></u>	<u><u><b>2,146</b></u></u>	<u><u><b>1,348</b></u></u>	<u><u><b>41,744</b></u></u>
Net book value at 31 July 2022	<u>40,328</u>	<u>1,523</u>	<u>873</u>	<u>42,724</u>

Notes to the Accounts (continued)

12 Tangible Fixed Assets (continued)

College

	Freehold Land and buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost or valuation</b>				
At 1 August 2022	69,370	20,006	873	90,249
Additions	-	992	475	1,467
Disposals	-	(78)	-	(78)
Transfers	(443)	443	-	-
<b>At 31 July 2023</b>	<b>68,927</b>	<b>21,363</b>	<b>1,348</b>	<b>91,638</b>
<b>Depreciation</b>				
At 1 August 2022	29,083	18,492	-	47,575
Charge for the year	1,617	808	-	2,425
Elimination in respect of disposals	-	(78)	-	(78)
<b>At 31 July 2023</b>	<b>30,700</b>	<b>19,222</b>	<b>-</b>	<b>49,922</b>
<b>Net book value at 31 July 2023</b>	<b>38,227</b>	<b>2,141</b>	<b>1,348</b>	<b>41,716</b>
Net book value at 31 July 2022	40,287	1,514	873	42,674

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 (2021/22: £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.

13 Investments

	College 2023 £'000	College 2022 £'000
<b>Investments in subsidiary companies</b>	<b>3,344</b>	<b>3,344</b>

**Notes to the Accounts** (continued)

**13 Investments** (continued)

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%

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.

The College also has a joint venture (The University College of West Anglia - UCWA) with Anglia Ruskin University (ARU). The purpose of UCWA is to run higher education courses using College staff and premises. ARU is the degree awarding body for these activities.

**14 Trade and Other Receivables**

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
<b>Amounts falling due within one year:</b>				
Trade receivables	302	241	254	133
Other debtors	9	9	31	31
Prepayments and accrued income	887	885	595	595
Amounts owed by the ESFA	214	214	756	756
<b>Total</b>	<b>1,412</b>	<b>1,349</b>	<b>1,636</b>	<b>1,515</b>

Notes to the Accounts (continued)

**15 Creditors: Amounts falling due within one year**

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Bank loans	-	-	869	869
Payments received on account	28	28	280	280
Trade payables	868	863	435	421
Amounts owed to subsidiary undertakings	-	2,916	-	2,922
Other taxation and social security	361	335	330	304
Accruals and deferred income	4,280	4,182	2,969	2,843
Deferred income - government capital grants	1,206	1,206	1,024	1,024
Deferred income - government revenue grants	1,441	1,441	1,449	1,449
Other creditors	624	623	803	801
<b>Total</b>	<b>8,808</b>	<b>11,594</b>	<b>8,159</b>	<b>10,913</b>

Accruals and deferred income includes £642,000 (2022: £581,824) in respect of accrued short-term employment benefits.

**16 Creditors: Amounts falling due after more than one year**

	Group	College	Group	College
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Deferred income - government capital grants	22,780	22,780	21,820	21,820
<b>Total</b>	<b>22,780</b>	<b>22,780</b>	<b>21,820</b>	<b>21,820</b>

Included in deferred capital grants is £1,447,000 of unspent funding.

Notes to the Accounts (continued)

17 Maturity of Debt

(a) Bank Loans and Overdrafts – Group and College

Bank loans are repayable as follows:

	2023 £'000	2022 £'000
In one year or less	-	869
Between one and two years	-	-
Between two and five years	-	-
In five years or more	-	-
<b>Total</b>	<u>-</u>	<u>869</u>

The bank loan bearing interest at a fixed rate of 2.624% is now fully paid.

(b) Other Creditors – Group and College

	2023 £'000	2022 £'000
In one year or less	-	2
Between two and five years	-	-
<b>Total</b>	<u>-</u>	<u>2</u>

18 Provisions – Group and College

	Group and College		
	Defined Benefit Obligations £'000	Onerous lease £'000	Total £'000
At 1 August 2022	5,558	113	5,671
Utilised in the period	(2,288)	(113)	(2,401)
Other movements in the period	(3,084)	-	(3,084)
<b>At 31 July 2023</b>	<u>186</u>	<u>-</u>	<u>186</u>

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.

Notes to the Accounts (continued)

**19 Consolidated analysis of changes in net funds**

<b>Group</b>	<b>At 1 August 2022 £'000</b>	<b>Cash flows £'000</b>	<b>At 1 August 2023 £'000</b>
Cash	8,242	2,725	<b>10,967</b>
	<u>8,242</u>	<u>2,725</u>	<u>10,967</u>
Bank Loans	(869)	869	-
Net funds/(debt)	<u><b>7,373</b></u>	<u><b>3,594</b></u>	<u><b>10,967</b></u>

<b>College</b>	<b>At 1 August 2022 £'000</b>	<b>Cash flows £'000</b>	<b>At 1 August 2023 £'000</b>
Cash	8,240	2,727	<b>10,967</b>
	<u>8,240</u>	<u>2,727</u>	<u>10,967</u>
Bank Loans	(869)	869	-
Net funds/(debt)	<u><b>7,371</b></u>	<u><b>3,596</b></u>	<u><b>10,967</b></u>

**20 Capital and Other Commitments**

	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>
Commitments contracted for at 31 July	<u><b>157</b></u>	<u><b>157</b></u>	<u><b>589</b></u>	<u><b>589</b></u>
Commitments authorised but not contracted for at 31 July	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 21 Lease Obligations

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

	<b>Group and College</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	106	96
Later than one year and not later than five years	320	349
Later than five years	820	760
	<u>1,246</u>	<u>1,205</u>
<b>Other</b>		
Not later than one year	7	44
Later than one year and not later than five years	-	7
	<u>7</u>	<u>51</u>
<b>Total lease payments due</b>	<u><u>1,253</u></u>	<u><u>1,256</u></u>

## 22 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.

## 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 2020 and 31 March 2022 respectively.

Notes to the Accounts (continued)

23 Defined Benefit Obligations (continued)

	2023		2022	
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		1,609		1,439
Local Government Pension Scheme:				
Contributions paid:				
Norfolk scheme	2,265		2,043	
Cambridgeshire schemes	3		3	
FRS 102 (28) charge:				
Norfolk scheme	262		2,594	
Cambridgeshire schemes	(3)		(3)	
Charge to the Statement of Comprehensive Income		2,527		4,637
Enhanced pension charge to Statement of Comprehensive Income		-		-
<b>Total Pension Cost for Year within staff costs</b>		<b>4,136</b>		<b>6,076</b>

Contributions amounting to £185,000 for the TPS and £233,000 for the LGPS were payable to the scheme at 31 July 2023 and are included in creditors (2022: £164,000 and £180,000).

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. 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. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance))



Notes to the Accounts (continued)

**23 Defined Benefit Obligations (continued)**

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

The pension costs paid to TPS in the year amounted to £1,609,778 (2022: £1,440,000).

**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 2023 was £2,783,285 (2022: £2,500,787) of which employer contributions totalled £2,270,127 (2022: £2,045,548), and employees' contributions totalled £513,158 (2022: £455,239). The employer's contribution rate is currently 26.3%. The College also pays an annual deficit recovery contribution which has been agreed until 31 March 2026. In the year to 31 July 2023 the College will pay a deficit contribution of £261,667 (2022: 357,000). The contribution rate for employees is 5.5% to 12.5%.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023		At 31 July 2022	
	Norfolk scheme	Cambridgeshire schemes	Norfolk scheme	Cambridgeshire schemes
Rate of increase in salaries	3.70%	3.55%	3.40%	3.25%
Future pensions increases	3.00%	3.05%	2.70%	2.75%
Discount rate for scheme liabilities	5.05%	5.10%	3.50%	3.50%
Inflation assumption (CPI)	3.00%	3.00%	10.01%	2.75%
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 2023		At 31 July 2022	
	Norfolk scheme years	Cambridgeshire schemes years	Norfolk scheme years	Cambridgeshire schemes years
<i>Retiring today</i>				
Males	21.60	21.50	21.70	22.00
Females	24.10	24.70	24.10	24.20
<i>Retiring in 20 years</i>				
Males	21.70	20.20	22.90	22.90
Females	25.60	25.00	26.00	26.00

Notes to the Accounts (continued)

23 Defined Benefit Obligations (continued)

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

	Fair Value at 31 July 2023			Fair Value at 31 July 2022		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	33,461	3,345	36,806	30,526	3,345	33,872
Bonds	21,878	621	22,499	22,428	621	23,049
Property	7,078	764	7,842	7,476	764	8,240
Cash	1,930	48	1,978	1,869	48	1,917
<b>Total market value of assets</b>	<b>64,347</b>	<b>4,778</b>	<b>69,125</b>	<b>62,299</b>	<b>4,778</b>	<b>67,078</b>
<b>Weighted average expected long term rate of return</b>						
<b>Actual return on plan assets</b>	<b>(1,544)</b>		<b>(1,544)</b>	<b>(1,495)</b>		<b>(1,495)</b>

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

	2023			2022		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	64,347	4,925	69,272	62,299	4,778	67,077
Present value of plan liabilities	(58,361)	(3,192)	(61,553)	(68,617)	(4,018)	(72,635)
Asset ceiling adjustments	(5,986)	(1,919)	(7,905)	-	-	-
<b>Net pensions (liability)/asset (Note 17)</b>	<b>-</b>	<b>(186)</b>	<b>(186)</b>	<b>(6,318)</b>	<b>760</b>	<b>(5,558)</b>

The value of the College's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

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

Amounts included in staff costs:

	2023			2022		
	Norfolk scheme	Cambridgeshire schemes	Total	Norfolk scheme	Cambridgeshire schemes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	2,526	-	2,526	4,647	-	4,647
Past service cost	21	-	21	22	-	22
<b>Total</b>	<b>2,547</b>	<b>-</b>	<b>2,547</b>	<b>4,669</b>	<b>-</b>	<b>4,669</b>

Notes to the Accounts (continued)

23 Defined Benefit Obligations (continued)

Amounts included in interest payable:

	2023			2022		
	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000
Pension finance cost	226	(26)	200	591	15	606

Amount recognised in Other Comprehensive Income:

	2023			2022		
	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000
Return on pension plan assets	(443)	(178)	(621)	837	66	903
Changes in assumptions underlying the present value of plan liabilities	13,235	1,122	14,357	31,731	1,277	33,008
Asset ceiling adjustments	(5,986)	(1,919)	(7,905)	-	-	-
<b>Amount included in Other Comprehensive Gains and Losses</b>	<b>6,806</b>	<b>(975)</b>	<b>5,831</b>	<b>32,568</b>	<b>1,343</b>	<b>33,911</b>

	2023			2022		
	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000	Norfolk scheme £'000	Cambridgeshire schemes £'000	Total £'000
<b>Defined benefit obligations at start of period</b>	<b>68,617</b>	<b>4,018</b>	<b>72,635</b>	<b>95,260</b>	<b>5,405</b>	<b>100,665</b>
Current Service cost	2,526	-	2,526	4,647	-	4,647
Interest cost	2,423	136	2,559	1,551	83	1,634
Contributions by Scheme participants	516	-	516	456	-	456
Experience gains and losses on defined benefit obligations						
Changes in financial assumptions	(16,247)	(623)	(16,870)	(35,497)	(1,269)	(36,766)
Changes in demographic assumptions	(47)	(71)	(118)	(308)	(22)	(330)
Other experience gains and losses	2,312	(100)	2,212	4,074	14	4,088
Estimated benefits paid	(1,760)	(168)	(1,928)	(1,588)	(193)	(1,781)
Past Service cost	21	-	21	22	-	22
<b>Defined benefit obligations at end of period</b>	<b>58,361</b>	<b>3,192</b>	<b>61,553</b>	<b>68,617</b>	<b>4,018</b>	<b>72,635</b>

Reconciliation of Assets

Fair value of plan assets at start of period	62,299	4,778	67,077	59,559	4,829	64,388
Interest on plan assets	2,197	162	2,359	960	73	1,033
Return on plan assets	(443)	(178)	(621)	837	66	903
Employer contributions	2,285	3	2,288	2,075	3	2,078
Contributions by Scheme participants	516	-	516	456	-	456
Other experience	(747)	328	(419)	-	-	0
Changes in asset ceiling	(5,986)	(1,919)	(7,905)	-	-	0
Estimated benefits paid	(1,760)	(168)	(1,928)	(1,588)	(193)	(1,781)
<b>Assets at end of period</b>	<b>58,361</b>	<b>3,006</b>	<b>61,367</b>	<b>62,299</b>	<b>4,778</b>	<b>67,077</b>

Notes to the Accounts (continued)

**24 Related Party Transactions**

Lee Smith served as a governor during the year and is also an employee of Anglia Ruskin University (ARU), the College's partner in the University Centre West Anglia, a joint venture constituted to deliver higher education courses. CWA income from the joint venture amounted to £1,226,315 (2021/22: £1,686,738). At the balance sheet date, the College was owed £131,208 by ARU (2021/22: £62,688).

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 Kerry Heathcote respectively served as Principal and Vice Principal, Curriculum & Quality and also served as directors of University Centre West Anglia, a joint venture with Anglia Ruskin University (ARU) constituted to deliver higher education courses. CWA income from the joint venture amounted to £1,226,315 (2021/22: £1,686,738). At the balance sheet date, the College was owed £131,208 by ARU (2021/22: £62,688).

Gill Rejzl served as Chair of the Corporation during the year and also served on the board of Freebridge Community Housing from March 2021. The College of West Anglia leases premises at Providence Street from Freebridge Community Housing at a cost of £37,000 a year. Additionally, the College earned £9,179 (2021/22: £16,2000) in the year in respect of students employed by Freebridge Community Housing placed on HE access courses at the College. At the balance sheet date there were no debtor or creditor balances with Freebridge (2021/22: £nil).

Samantha Fletcher served as Vice Chair of the Corporation and was also employed by Norfolk County Council. The College delivered training provision of £314,273, purchased services of £366,233 and leased premises at Downham Market of £31,700 in the year (2021/22: £218,114). At the balance sheet date, the College had a debtor balance of £80,208 (2021/22: £11,415) and a creditor balance of £152,885 with the Council (2021/22: £nil).

Samantha Fletcher's husband is Principal of Kings Lynn Academy (KLA). The College of West Anglia earned £78,565 (2021/22: £76,217) income in respect of delivering courses for 14–16-year-old KLA students. At the balance sheet date there were no debtor or creditor balances with KLA (2021/22: £nil).

Fliss Miller served as a Governor in the year and is also an employee of Cambridgeshire and Peterborough Combined Authority (CPCA). During the year the College received various elements of funding from CPCA totalling £643,814. At the balance sheet date there were no debtor or creditor balances with CPCA (2021/22: £nil).

Fliss Miller was also a member of the Higher and Degree Apprenticeship Governing Body at Cambridge University. The College received funding from the University as part of a project promoting HE across East Anglia and also sold services to the University. The total income was £65,820 (2021/22: £25,259). At the balance sheet date there was a debtor balance of £21,244 and a creditor balance of £420 with the University (2021/22: £nil).

Alison Barber is employed by the College as Head of Faculty for Landbased at the Cambridge Campus and is also a committee member of Suffolk Hunt Pony Club from which the College received £120 during the year (2021/2022: £nil). At the balance sheet date there were no debtor or creditor balances with CPCA (2021/22: £nil).

Alison Barber is also a British Horse Society Instructor. The College paid the Society £703 for services during the year and provided services to the Society amounting to £385. At the balance sheet date, the College had a debtor balance with the Society of £225 (2021/22: £nil).

The total expenses paid to or on behalf of the Governors during the year were £1,563. This represents the travel and subsistence expenses and other out of pocket expenses of four Governors in attending meetings and charity events in their official capacity. The figures for 2021/22 were £50 to one Governor. At the balance sheet date, the College owed £383 to Governors (2021/22: £nil).

Notes to the Accounts (continued)

24 Related Party Transactions (continued)

The College has a joint venture (The University College of West Anglia - UCWA) with Anglia Ruskin University (ARU). The purpose of UCWA is to run higher education courses using College staff and premises. ARU is the degree awarding body for these activities. CWA income from the joint venture amounted to £1,226,315 (2021/22: £1,686,738). At the balance sheet date, the College was owed £131,208 by ARU (2021/22: £62,688).

The College has a 100% interest in a subsidiary, CWA Enterprises Limited, which supplies education and training courses to commercial clients. During the year the College charged management fees to CWA Enterprises Limited of £17,403 (2021/22: £26,972) and received charitable donations of £411,951 (2021/22: £323,462) from CWA Enterprises Limited. At the balance sheet date, the College held a intercompany debtor balance of £414,355 (2021/22: £17,472) and an intercompany creditor balance of £3,370,827 (2021/22: £2,975,146)

The College also has a 100% interest in another subsidiary, CWA Developments Limited, which is involved in the design and build of new buildings for the College. At the balance sheet date, the College held an intercompany debtor balance of £40,439 (2021/22: £35,326).

25 Amounts Disbursed as Agent

	2023 £'000	2022 £'000
<b>Access Funds</b>		
Funding body grants - hardship support	1,084	816
Interest earned	-	-
	<u>1,084</u>	<u>816</u>
Disbursed to students	(790)	(599)
Administration costs	(40)	(30)
	<u>254</u>	<u>187</u>
	<u>254</u>	<u>187</u>
<b>Other Learner Support Funds</b>		
Funding body grants – bursary support	-	60
	-	60
Disbursed to students	(38)	(54)
Administration costs	-	-
	<u>(38)</u>	<u>6</u>
	<u>(38)</u>	<u>6</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.

Notes to the Accounts (continued)

26 Prior Period Adjustments

It has been identified that a specific grant for Teachers Pension Costs of £470k was credited to staff costs in the previous period rather than recognised in funding body grants. The current year grant has been recognised in income and the prior year comparatives have been restated to reflect the revised presentation. The restatement has no impact on the reported deficit for the prior year, the financial position or opening reserves.

It has been identified that a specific grant of £308k received from Education and Skills Funding Agency in relation to capacity and development was disclosed under research grants and contracts rather than funding body grants within the Consolidated and College statement of Comprehensive Income. The current year grant of £227k has been recognised under funding body grants and the prior year comparatives have been restated to reflect the revised presentation. The restatement has no impact on the reported deficit for the prior year, the financial position or opening reserves.

It has been identified that £1,577k of higher needs funding from local authorities was disclosed under research grants and contracts rather than tuition fees and education contracts. The current year funding of £2,018k has been recognised under tuition fees and education contracts and the prior year comparatives have been restated to reflect the revised presentation. The restatement has no impact on the reported deficit for the prior year, the financial position or opening reserves.

It has been identified that £135k of other grants was disclosed under research grants and contracts, when these balances should relate to research related funding only. The current year income of £805k has been recognised under other income within the Consolidated and College statement of Comprehensive Income and the prior year comparatives have been restated to reflect the revised presentation. The restatement has no impact on the reported deficit for the prior year, the financial position or opening reserves.

It has been identified that partnership costs of £1,340k were allocated to non-teaching costs within the other operating expenses note (note 8 within these financial statements) in the previous period. The current year partnership costs of £1,481k have been allocated within teaching costs in note 8 as this is a fairer presentation of the nature of the expenditure. The prior year comparatives have been restated to reflect the revised presentation. The restatement has no impact on the reported deficit for the prior year, the financial position or opening reserves.

The table below shows a restatement of the previously reported balances:

Changes to the group income and expenditure account and related notes

Group	Year ended 31 July		
	2022 As previously stated £'000	Restatement £'000	2022 As restated £'000
Income			
Funding body grants	23,452	778	24,230
Research grants and contracts	2,236	(2,020)	216
Tuition fees and education contracts	2,693	1,577	4,270
Other income	959	135	1,094
Expenditure			
Staff costs	21,394	470	21,864
Deficit for the year	(2,776)	-	(2,776)

Notes to the Accounts (continued)

26 Prior Period Adjustments (continued)

Changes to other operating expenses note for Group in relation to Partnership costs:

	Year ended 31 July		
	2022		2022
	As previously	Restatement	As restated
	s stated		
	£'000	£'000	£'000
Teaching costs	3,193	1,340	4,533
Non teaching costs	2,791	(1,340)	1,451

## **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF THE COLLEGE OF WEST ANGLIA AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY**

### **Conclusion**

We have carried out an engagement, in accordance with the terms of our engagement letter dated 21 April 2023 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by the College of West Anglia during the period 1 August 2022 to 31 July 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

A special severance payment £16,500 was made on 6 February 2023 that was equivalent to at least 3 month's salary. The College did not:

- Obtain prior approval from the DfE, in breach of paragraph 13 of the ESFA's bite size guides, College requirements for special payments, including severance, compensation and ex gratia payments published by the ESFA. Retrospective approval has been applied for.

### **Basis for conclusion**

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

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

### **Responsibilities of Corporation of the College of West Anglia for regularity**

The Corporation of the College of West Anglia is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of the College of West Anglia is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

### **Reporting accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would



become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

#### **Use of our report**

This report is made solely to the Corporation of the College of West Anglia and the Secretary of State for Education acting through 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 Secretary of State for Education acting through the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of the College of West Anglia and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

#### **RSM UK AUDIT LLP**

Chartered Accountants

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Date: 29 January 2024

