

Company Registration Number:
10821223 (England and Wales)

Woking College

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year 1 September 2019 - 31 August 2020

Woking College

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Woking College

Reference and Administrative Details

Members

Mr M. Ingram
Revd. Dr D. R. Marks
Mrs G. Mather
Mr L. Oates
Mr R. Volo

Trustees

Mrs Y Aslam
Mrs E Cussans
Mr B Freeman (Principal and Accounting Officer)
Mr R Kemp (Appointed 1 September 2019)
Mrs G Mather (Chair, resigned 31 August 2020)
Mr H J Miles
Mr C Mitchell
Mr J Moffat
Dr M Mulheron
Mr B Smith
Mr T A Stokes (Chair, appointed 1 September 2020)

Senior Management Team

Principal
Deputy Principal
Assistant Principal
Assistant Principal
Finance Director
Director of Learning and Teaching
Director of Support for Learning

Mr B Freeman
Mr N Razaq
Ms L Cook
Ms K Foan (Resigned 31 August 2020)
Ms F Munday
Ms E Bentley Pattinson
Ms H Clarke

Clerk to the Trustees

Mrs B Maude

Company Name

Woking College

Company Registration Number

10821223 (England and Wales)

Principal and Registered Office

Rydens Way, Woking GU22 9DL

Auditors

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Bankers

Lloyds Bank PLC
2 City Place, Beehive Ring Road
Gatwick, RH6 0PA

Solicitors

Eversheds Sutherland
1 Wood St, London EC2V 7WS

Woking College

Trustees Report

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under Company Law.

Woking College, which operates as a Single Academy Trust, is one of the top performing Sixth Form Colleges in the country specialising in academic and vocational courses for 16-19 year olds. During the year it had 1,370 students enrolled. In addition, the Trust has a number of part-time courses (predominantly English for Speakers of Other Languages) which serve the local community and currently have 250 students enrolled on a part-time basis.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Woking College are also the directors of the charitable company for the purposes of company law. The charitable company operates as Woking College.

Details of the Trustees who served during the period and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Trust.

Method of Recruitment and Appointment or Election of Trustees

Eligibility to act as a trustee of the Trust is within the Constitutional Framework and Clauses 45-80 of the Articles of Association.

The Trust looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills to provide the Trust with the best possible advice and support. An annual skills audit is undertaken to identify any skills gaps in the Board of Trustees and to inform the recruitment of new Trustees to fill identified skills gaps.

The Trust provides training presentations as part of Trustee meetings on topical issues according to need.

Woking College

Trustees Report (Continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board of Trustees is responsible for ensuring that appropriate training is provided as required. All new Trustees are invited to attend induction training and receive a Trustees' Handbook including all relevant guidance to their role. Trustees are provided with support from the Clerk to the trustees who circulates regular sector briefings and updates and details of relevant external training and networking opportunities to Trustees.

An Annual Governance Conference is held each September to update Trustees on latest developments at College.

Organisational Structure

The Senior Management Team consisted of the Principal, Deputy Principal, two Assistant Principals and the Finance Director. This group meets weekly as the College Executive Group. The group is also the Risk Management group. The College Operations Group consists of the Deputy Principal, two Assistant Principals and two Directors.

With effect from 1 September 2020, the College Executive Group comprises the Principal, Deputy Principal, Assistant Principal and Finance Director while the College Operations Group consists of the Deputy Principal, Assistant Principal and two Directors and four Associate Directors.

The committee structure of the Board of Trustees consists of a combined Finance and Audit Committee and there is also a Succession Planning Working Group. There is a Scheme of Delegation which is on the College website, which shows which decisions are reserved for the Board of Trustees and those delegated to management.

Arrangements for setting pay and remuneration of key management personnel

At Woking College, the Accounting Officer (Principal) is the only person defined as a senior post holder. Decisions relating to senior post holder appointments and remuneration are made by the Trustees after detailed review of performance and affordability as well as benchmarking data by a working group of Trustees who review the remuneration.

Decisions relating to other members of senior management are taken by the Principal having regard to benchmarking data, Sixth Form Colleges Association pay increases and affordability. Trustees / Directors do not receive any remuneration.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Nil	Nil

As there were no relevant union officials during the relevant period no further disclosure is required.

Woking College

Trustees Report (Continued)

Related Parties and other Connected Charities and Organisations

The College has no formal related parties and is not connected with any other charity or organisation. However, the Trust works closely with local schools and is a member of the S7 Consortium of Sixth Form Colleges, which provides training and other cross College activities.

The College has links with local sporting clubs and charities who hire College facilities and with The Lightbox art gallery (Registered Charity Number 1073543) where an annual art and fashion exhibition is held by the College.

Objectives and Activities

Objects and Aims

The Trust's objects, as set out in the Memorandum of Association, are to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a curriculum appropriate to the needs of its students. In addition, the Trust is to promote for the benefit of the inhabitants of Woking and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The objective is to provide education for students of all abilities to improve their life chances, allowing them to take the opportunities that are available to them. We aim to enhance our students' future choices through the provision of a learning environment in which they will maximise their examination success. These successes should happen within a culture in which the learning of wider knowledge, skills and values are cherished and supported and attention is paid to individual wellbeing - to the benefit of individual students and the societies in which they will live.

Our mission will be achieved if, following effective advice and guidance, all students are enrolled onto the right courses, for them as individuals and they then benefit of high quality teaching and assessment. At Woking College stretch and challenge in learning will be embraced, students will be encouraged to be independent learners with a sense of ownership in their work and progress; this will be supported with a steadfast belief in the ongoing personal development for all members of the College community.

Woking College will remain an inclusive, diverse, open access Sixth Form College with a positive sense of community and strong links to the local area. We want to further enhance the vibrancy of the College and continue to engender an excitement for learning. We will help students to become critical thinkers able to deal with the challenges of an uncertain world in order to nurture the next generation of leaders, carers, active citizens. Woking College sees the quality of learning, teaching and assessment as essential to its mission; becoming recognised in the wider community as a leader in Sixth Form pedagogy is central to the College's mission.

Consistent with other academies in the United Kingdom, Woking College aims to raise educational outcomes and to increase student numbers to meet demand.

Woking College

Trustees Report (Continued)

Objectives, strategies and activities

In July 2017, the College adopted a strategic plan for the period 1 August 2017 – 31 July 2020. The Board of Trustees monitors the performance of the College against these plans. The plans are reviewed and updated each year. Key strategic objectives are to:

- Enhance student life choices and chances through maximising examination and coursework successes whilst paying due attention to students' progression plans;
- Ensure that the quality of learning, teaching and assessment is excellent and evolves dynamically, continuing to be placed at the centre of everything we do;
- Enhance the lives of our students by ensuring that the student experience is not just about examination success, so that enjoyment and edification sit alongside more measurable educational outcomes for our students;
- Maximise its income and the efficient allocation of resources enabling successful learning, teaching and student success;
- Ensure effective internal communications and also to further develop links with the local community; to the benefit primarily of our students but also to local stakeholders;
- Look further forwards considering political, economic, social and technological developments and their potential impact on planning at Woking College.

The COVID-19 pandemic and the response of the College to it, including the during the lockdown and the learning points that have arisen as a result (e.g. Blended learning) has led Trustees to delay the publication of the next Strategic Plan. We expect the Strategic Plan to be published in the Spring of 2021.

Public Benefit

Woking College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are Trustees of the charity, are disclosed on page 1.

In setting and reviewing the College's strategic objectives, the Board of Trustees has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation
- Excellent progression/employment record for students
- Strong student support systems
- Links with employers, industry and commerce

Woking College

Trustees Report (Continued)

Strategic Report

Achievements and Performance

The achievements in 2019/20 in relation to the main strategic objectives include:

- Average ALPS grade 3; A-Level Performance System (ALPS) provides Colleges which a measure of the value they add to a students' A level performance by taking a students' average GCSE score and predicting the grades that student should be expected to achieve in their chosen A Level subjects.
- 59% (2019: 57%) of Advanced Level students who completed their course commenced further or higher education with 78% (2019:76%) of students gaining their first choice and 6% (2019: 4%) gaining their insurance choice
- 22% (2019: 24%) of students left for employment and apprenticeships
- 16% (2019:11%) took a gap year. The remaining 3% chose to return to College to attend another FE College to improve their grades

The COVID-19 pandemic resulted in the College being closed from March until the end of the Summer term in line with government guidelines. Teaching continued throughout the lockdown period remotely via Teams. Any small savings made e.g. utility costs were balanced-off by some additional spending e.g. COVID-related cleaning costs and hence the products of those savings and costs was not significant.

The Trustees use the following measures to assess the success of the activities of the College;

- Student achievement including value added performance
- Percentage of students passing
- Attendance data
- Retention data
- Student enrolment data
- College's compliance with all legal requirements including Equality and Diversity, Health and Safety, Safeguarding, Data Protection including GDPR

Key Performance Indicators

Given the fact that grades were centre assessed this year, there will be no meaningful benchmark for the current year, therefore we will continue to use the same KPI's as presented in the prior year.

	16-18			19+			Total		
Overall Success/ Achievement Rate	17/18	18/19	19/20	17/18	18/19	19/20	17/18	18/19	19/20
Starters	4023	4314	4314	258	213	268	4799	4236	4582
Achievement rate (%)	91.0	91.4	91.4	88.7	87.4	86.3	90.8	90.8	91.0
Pass rate (%)	97.5	98.3	98.3	94.2	91.9	89.4	96.0	97.1	97.6
GCSE Average	5.3	5.6	5.6	5.2	4.1	3.6	5.4	5.3	5.6
Attendance (%)	97.8	97.8	97.8	95.6	95.8	95.1	97.6	97.8	97.8
Retention (%)	95.2	95.0	95.0	94.2	95.3	96.6	95.1	95.2	95.1
Punctuality (%)	97.9	98.0	98.0	98.1	98.5	97.6	98.4	97.9	98.0
High Pass rate (%)	56.2	56.5	56.5	30.2	22.8	15.9	42.5	53.9	53.3

Woking College is currently graded 2 'Good' by Ofsted (Feb 2016). The College Self-Assessment Review process for 2019/20 has been completed and a rating of 'Outstanding' has been achieved.

Woking College

Trustees Report (Continued)

Going Concern

The Trust has achieved an operational surplus and has retained reserves. After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the 'going concern' basis can be found in the Statement of Accounting Policies on page 27.

Financial Review

A significant portion of the College's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants. The grants received from the ESFA and the associated expenditure is shown as restricted funds in the Statement of financial activities.

The College generated a gain before other gains and losses for the period of £47k.

At 31 August 2020 the net book value of fixed assets was £30,508k as shown in note 11. The assets are used for the purposes of providing education and the associated support services to the students of Woking College. Total funds available at 31 August 2020 amount to £31,602k and the value of unrestricted reserves is £1,452k.

Reserves Policy

The policy is to have at least £500k in free reserves (excluding the restricted fixed asset fund asset £30,636k and pension reserve £1,646k deficit at 31 August 2020) to mitigate the risk of reduced funding due to lower student numbers, funding cuts or unexpected increases in expenditure for example higher levels of inflation, higher than anticipated increases in teachers' pension contributions. This equates to approximately one months' worth of expenditure including payroll and will ensure the working capital requirements are met.

The amount of reserves held (excluding restricted fixed asset and pension reserve) at 31 August 2020 is £2,612k which is over 5 times the amount required to mitigate risk. The current policy is under review and it is anticipated that funds over and above the target free reserves will be transferred to a designated fund set up to be used to improve the infrastructure of the College's premises to benefit current and future students.

The total funds available at 31 August 2020 amount to £31,602k and the amount available for general purposes of the Trust at 31 August 2020 amount to £1,452k.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 is £2,612k.

Investment Policy

The Trust has an Investment Policy that allows funds, identified as surplus to immediate requirements through cash flow monitoring, to be placed on short-term deposit with banks. The banks offer better return on short term investments through the money market. Should the reserves increase sufficiently to consider longer term investment, the Trust would take professional advice on suitable investment opportunities.

Woking College

Trustees Report (Continued)

Principal Risks and Uncertainties

The system of internal control maintained by the Trust includes financial, operational and risk management which is designed to protect the assets and reputation.

A risk register is maintained at the Trust and is reviewed at the meeting of the Audit and Finance Committee, and on a regular basis by the Senior Management Team (SMT). The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being undertaken to reduce and mitigate the risk. Risks are prioritised using a consistent scoring system. Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

The College faces the following principal risks;

1. The College fails to attract and retain students and therefore secure adequate funding in order to allow for the effective operation of its mission and continue as a going concern.
This risk is managed by the College using effective interviewing and admission processes to ensure maximum publicity and contact with students in Year 10 and 11. Application numbers and acceptance numbers are reviewed by the Executive weekly. Marketing activities are tailored according to recruitment trends.

2. Failure to address effectively the range of changing external challenges such as increased local competition and a change in national priorities leads to College not being a going concern.
This risk is managed by producing the following in which the College identifies and responds to the range of external challenges, in order to ensure the College's agreed strategic objectives are met:
 - Self- Assessment Review (SAR) and Quality Improvement Plan (QIP)
 - Strategic Plan
 - Financial plan

The documents listed above are all reviewed regularly by the SMT in consultation with all staff in order to ensure the College's responses remain relevant, sufficient and appropriate. The documents listed above are reviewed and agreed by the Board of Trustees as being sufficient to achieve the College's strategic objectives in the short/medium term.

3. Insufficient funding rate changes and compulsory increases in salary related costs (increased pension contributions, national insurance contributions and apprenticeship levy charge) reduce College income and lead to the College not being a going concern.

This risk is managed by producing an annual budget and a three-year forecast based on a variety of assumptions about funding rates and external salary related changes. Monthly management accounts are produced and reviewed and action taken when negative variances arise.

4. The College fails to recruit, manage and retain high performing staff (teaching and support) resulting in poor morale and success rates which will reduce student demand and lead to risk 1.
This risk is managed by taking a proactive approach to staff recruitment and, in most cases, advertising and appointing as early as possible to ensure successful appointments or time to re-advertise if necessary.

5. Failure to plan and respond appropriately to changes in requirements and regulations during the on-going Covid-19 pandemic, leading to loss of reputation and confidence in the College.

This risk is managed by the College having a COVID action plan which is held by all appropriate members of the SMT. The Plan is maintained and regularly reviewed and updated by the Deputy Principal and discussed in the weekly Executive meetings.

Woking College

Trustees Report (Continued)

Principal Risks and Uncertainties (Continued)

The financial and operational effects of the COVID pandemic and the control measures relating to the virus on the principal risks and uncertainties outlined above are as follows:

1. Student recruitment to the College this year was strong following a successful marketing campaign including excellent transition work set on line for Year 11 to 12 transition work combined with the reputational benefits of high quality on-line lessons for Year 12 students.
2. The challenges mounted by the Centre Assessed Grades (CAG) grading process, used to award examination grades was followed professionally by staff resulting in a small increase in Pass and High Pass grades for the Colleges students. All KPI's have been demonstrated to be positive in the 2019/20 SAR and Financial documents.
3. The College's financial picture at the end of Year was very strong, all nationally negotiated pay claims were met; the College was also in a position to use some of the in-year staff savings to provide additional (non-consolidated) remuneration to staff over and above the national pay award.
4. Staff turnover was similar to previous years. Following a series of 'socially-distanced' Zoom interviews the College was fully and appropriately staff for the start of the academic year 2020/21.
5. The above analysis demonstrates the reputation of, and confidence in the College was added-to through this period of pandemic.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

The College plans to continue implementing its mission "to improve the life chances of our students". During 2020/2021 the key objectives will be as follows:

Quality of Education:

- To improve effectiveness of techniques to enhance students long term memory in preparation for linear exams
- To ensure consistency of Assessment for Learning within departments
- To fully embed "Success for Learning" Department including use of Individual Learning Mentors
- To further develop the of Excellence Programme for more-able students
- To continue to enhance consistency and quality of Teaching, Learning and Assessment and 1:1 tutorials

Personal Development

- To further develop the Pastoral curriculum
- To develop students' knowledge of physical and mental health in order to promote resilience and wellbeing
- To embed the careers (Gatsby) benchmarks into curriculum areas
- To further expand the enrichment offer

Woking College

Trustees Report (Continued)

Plans for Future Periods (Continued)

Behaviour and Attitudes

- To fully embed VESPA (student motivation & organisation) strategy
- To embed the role of new Equality and Diversity Co-ordinator
- To review the student support and disciplinary process

Leadership and Management

- To further develop the College site through the estates strategy
- To use Quality Reviews to review specific aspects of quality across the College
- To ensure that the College is ready for the new Ofsted framework
- To support and further train Trustees in their roles.
- To manage appropriately the increased risk associated with new courses
- To identify, support and monitoring of any underperforming departments and subjects
- To build an effective and accurate system of data management for the College data to reduce workload and promote well-being
- To embed staff well-being into all aspects of College life to enhance morale
- To improve communication with local communities
- To develop SLT / School Links
- To improve financial systems software

Impact of the outbreak of the virus on staff and students and the implications for the Trust's operations and activities for 2020/21

The Principal Risks and Uncertainties section demonstrates that the College's operations and activities have been well-sustained into the academic year 2020/21. College recruitment, attendance (student and staff) and retention has already been seen to be better than in previous years.

Clearly the contradictions between national Lockdown policy and regulations relating to the continuity of education present some difficulties, not least the anxiety felt by staff, students and their parents.

Mitigations are in place including the wearing of masks or visors in all College locations (other than when eating). This does not however prevent the development of some higher levels of anxiety; the College's Senior Management Team (SMT) and staff responsible for 'wellbeing' have put steps in place to enhance community and support staff through counselling and collegiate actions and activities.

The College SLT is very aware of the need to continue to support staff through these difficult times and staff welfare is discussed at least weekly in Executive and other meetings.

Impact of the virus control measures and potential duration of the control measures on the future aims and activities of the Trust

The College is currently running well, with few positive COVID cases and no evidence of any internal transmission, aided by a series of mitigating actions. If the pandemic condition were to worsen the next step would be to move to the virtual delivery of lessons, an approach well-practised (and received) this summer during the first Lockdown. All departments have plans in place to continue teaching using Microsoft Teams should that be necessary.

Woking College

Trustees Report (Continued)

Auditor

Insofar as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on the Board's behalf by:



Tim Stokes
Chair of Trustees

Woking College

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Woking College has an effective and appropriate system of control, financial and otherwise. 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 Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Woking College and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the period.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible	%Attendance
Ms Y Aslam	5	7	71%
Mrs E Cussans	4	7	57%
Mr B Freeman	7	7	100%
Mr R Kemp	6	7	86%
Mrs G Mather	6	7	86%
Mr C Mitchell	4	7	57%
Mr J Miles	7	7	100%
Mr J Moffat	6	7	86%
Dr M Mulheron	5	7	72%
Mr B Smith	6	7	86%
Mr T A Stokes	7	7	100%

Coverage of the work of the Board of Trustees

The Board of Trustees met 7 times during 2019/20. If additional meetings are considered necessary, either additional Board Meetings are convened as required or the Board sets up working groups.

New Terms of Reference for the combined Committee were approved and will be reviewed annually. The Clerk to the Trustees co-ordinates the work of the Board of Trustees. The minutes of the Finance and Audit Committee, and key reports including the management accounts, are also considered by the full Board at each meeting. Management accounts are circulated to the Chair of the Board monthly and to all Trustees with a covering email from the Finance Director during the year. Through the regular circulation of management accounts to the Board and scrutiny by the Finance and Audit Committee (which meets once a term or more often if required) the Board maintains effective oversight of the College's funds.

The oversight of educational performance by the Board is undertaken through a number of ways in addition to scrutiny of performance data at Board Meetings. These include involvement of Trustees in moderation of the College Self-Assessment Report. Trustees observe the College SAR validation event to check the rigour of the process first hand for the Board and to validate or challenge judgments made by College managers. The Chair and Vice Chair of Trustees meet the Principal fortnightly to discuss current issues and to plan future meetings and discuss broader educational and College developments. Trustees also use contextualised learning walks which focus on a particular curriculum area or a particular aspect of teaching, learning and assessment together with student focus groups to help validate their judgments about the College's performance.

Woking College

Governance Statement (Continued)

The Board's performance

The Board is aware of the need continually to monitor and improve its performance. Each committee carries out an annual review of effectiveness against its Terms of Reference. The key tool for Board evaluation is the practice of carrying out an annual internal review when the Board prepares a Governance Self-Assessment Report, identifying key strengths and areas for development including setting a Governance Quality Improvement Plan and self-assessing the effectiveness of governance which was self-assessed for 2019/20 as a Grade 1 - outstanding. Achievement against targets in the Governance Quality Improvement Plan was reviewed mid-year by the Board's Governance Working Party and action instituted to ensure that all targets are met.

Data used by the Board

Trustees receive high-quality, accurate and timely information sufficiently in advance of Board Meetings so that they can exercise effective scrutiny at their meetings. Teaching, learning and assessment is highlighted as a separate Agenda item for every Board meeting, and appears early on the agenda so as to be a key focus for Trustee's time and attention.

Trustees receive regular written reports, performance data and Quality Improvement Plan (QIP) updates, supplemented by presentations from College staff at Board Meetings. Trustees also request additional reports or presentations if they lack knowledge of any particular issue or curriculum development. At the request of trustees all data presented to the Board is colour coded to highlight whether this is below, at or above target and includes comparable data in respect of the previous two years as well as benchmarking comparing the College with other colleges and academies.

Trustees are invited to attend the College's Self-Assessment moderation meeting and mid-year review meetings. All Trustees receive the College's Self-Assessment Report and the College's QIP and review and monitor the QIP from regular progress reports on this to the Board throughout the year. These reports and presentations provide them with a clear understanding of the College's strengths and weaknesses.

Trustees also gather first-hand knowledge about the strengths and weakness of the College from cross-college learning walks led by a member of the SMT. In addition, the Chair and Vice-Chair hold regular staff and student focus groups without College management present to test the accuracy of the data which they receive.

Governance Review

The Board is aware of the need to continually monitor and improve its performance. The key tool for Board evaluation is the practice at Woking College of carrying out an annual internal review of the effectiveness of Governance as part of the College-wide Self-Assessment process. Through preparing the Governance Self-Assessment Report the Board self-assesses the effectiveness of governance at Woking College including identifying key strengths and areas for development included in a Governance Quality Improvement Plan for the next year. The Board of Trustees reviewed the effectiveness of the 2018/19 Governance Quality Improvement Plan in the autumn term 2019 and adopted a Governance Quality Improvement Plan for 2019/20 with six areas for improvement. These six areas were reviewed throughout the year, most notably in May 2020 as part of the Succession/Governance Working Group and reported back to the Board on the achievement against targets mid-year and instituted further agreed action to ensure that all targets were met.

The effectiveness of governance for 2019 was reviewed at a Board Meeting in December 2019 when this was self-assessed as a Grade 1- Outstanding as four targets had been met and one was a continual target that was ongoing.

Woking College

Governance Statement (Continued)

Governance Review (Continued)

Changes made to governance at the College as a result of these reviews and the impact of these on the effectiveness of governance include:

- The use of contextualised learning walks for Trustees which focus on a particular curriculum area or a specific aspect of teaching, learning and assessment enabling them to achieve a greater understanding of the strengths and weaknesses of the College. The impact of COVID 19 meant that this year whilst three Learning Walks had been scheduled only two took place with the third having to be cancelled due to the pandemic.
- Staff and Student Focus Groups had been planned to take place during 2019/20 but unfortunately could not take place due to the pandemic so this year whilst Trustees were unable to meet staff and students directly, Trustees instead switched to attending virtual College events, Board meetings and College Open Days to enable them to independently test the data received;
- Periodic updates are now given to Trustees to remind them of their responsibilities as Trustees and directors together with ongoing training to ensure they are fully conversant with their responsibilities;
- From September 2018 until August 2020 there was only one Trustee who was also a Member of the Trust providing a more robust governance structure due to the significant degree of separation between the member and trustee roles;
- Trustees have continued their focus on the strategic direction for the College and will incorporate Strategic Planning days into the cycle of Board meetings for the next academic year and will continue to give greater emphasis to the clarity of their strategic planning during 2020/2021, a key element that is in fact highlighted in the Trustee Quality Improvement Plan for 2020/21.

Finance and Audit Committee

The Finance and Audit Committee is a committee of the Board of Trustees. It operates in accordance with written Terms of Reference approved by the Trustees. In terms of its financial function, its purpose is to review the financial position of the Trust, including revenue, capital and cash flow and investments, on a termly basis (or more frequently if required), and it receives regular reports on capital schemes and other premises issues. It advises the Board on all financial matters and such other matters relating to employment and certain corporate policies or finance as the Trust Board may remit to them such as financial regulations / delegations / procedures or staffing policies. During the period it dealt with monthly management accounts the annual budget, three-year forecast and the CIF bid.

In terms of the Audit function of the Committee, its purpose is to advise the Trustees on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes. The committee also provides a forum for reporting by the Trust's Financial Statements Auditor's, who have access to the Committee for independent discussion, without the presence of management. The committee also receives and considers reports from the funding body if they affect the operations.

Management are responsible for the implementation of agreed audit recommendations and the Finance and Audit Committee review follow-up tracker reports to ensure that recommendations have been implemented.

The Committee also advises the Trustees on the appointment of Financial Statements Auditor's, and their remuneration for both audit and non-audit work as well as reporting annually to the Trustees.

Woking College

Governance Statement (Continued)

Finance and Audit Committee (Continued)

Attendance during the period at meetings was as follows:

Trustees	Meetings attended	Out of a possible	%Attendance
Mr J Moffat	3	3	100%
Ms Y Aslam	3	5	66%
Mr B Freeman	3	3	100%
Mr R Kemp	2	3	67%
Mr H J Miles	3	3	100%
Mr Mulheron	1	3	33%
Mr T A Stokes	3	3	100%

Review of Value for Money

As Accounting Officer, the Principal, has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered value for money during the year by:

- Ensuring financial controls and procedures are reviewed regularly including written delegations and clear purchasing procedures;
- Robust challenging of all expenditure ensuring procurement procedures followed;
- Regular budget monitoring including comprehensive monthly management accounts which are reported to Trustees on a monthly basis;
- Three-year financial planning and cash-flow forecasting;
- Collaborative procurement programme with S7 covering staff development;
- Undertaking regular review of benchmarking against other S7 Colleges and other Sixth Form Colleges;
- Tendering the Colleges' Cleaning and Catering service.

Under the application of PPN 20/20 (Procurement Policy Note), the College paid the Catering contractor, labour costs including Employers National Insurance and Employers Pension, for one week ending 27 March 2020, as well as 25% of the value of the FSM contract until the end of June 2020.

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 on-going process designed to identify and prioritise the risks to the achievement of Trust 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 Woking College for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements.

Woking College

Governance Statement (Continued)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed Wilkins Kennedy, to provide this service. Following the release of the latest Ethical Standards guidance by the Financial Reporting Council, which states that audit firms are no longer permitted to provide internal audit services to an external audit client, the College is currently running an internal audit tender with a view to appointing a new internal auditor with effect from 1 December 2020.

This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of funding processes and systems
- Governance and Compliance

The external auditor reports to the Board of Trustees twice a year, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No material control issues arose as a result of the auditor's work.

Woking College

Governance Statement (Continued)

Review of effectiveness

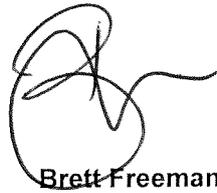
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by: the extended assurance work carried out by the external auditor

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the audit committee and a plan to ensure continuous improvement of the system is in place. Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:



Tim Stokes
Chair of Trustees



Brett Freeman
Principal and Accounting Officer

Woking College

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Woking College, I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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



Brett Freeman
9 December 2020

Woking College

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- Make judgments and accounting 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:



Tim Stokes
Chair of Trustees

Independent Auditor's Report to the members of Woking College for the year ended 31 August 2020

Opinion

We have audited the financial statements of Woking College for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020

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 academy trust 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

- We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Other information

The Trustees are responsible for the other information, which comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the members of Woking College for the year ended 31 August 2020 (Continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the academy trust'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 Trustees either intend to liquidate the charitable company, 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.

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 members of Woking College for the year ended 31 August 2020 (Continued)

Use of our report

This report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the Academy Trust's Members those matters we are required to state to them in an Auditors' 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 Academy Trust and the Academy Trust's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Statutory Auditor

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

9 December 2020

Independent Reporting Accountant's Assurance Report on Regularity to Woking College and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 May 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woking College during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Woking College's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Woking College's funding agreement with the Secretary of State for Education dated 28 July 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

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 high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

Independent Reporting Accountant's Assurance Report on Regularity to Woking College and the Education & Skills Funding Agency (Continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets

Gladstone House

77-79 High Street

Egham

Surrey

TW20 9HY

9 December 2020

Woking College
Statement of Financial Activities
For the period ended 31 August 2020
(including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2019/20 Year	2018/19 Period
		£000	£000	£000	Total £000	Total £000
Income and endowments from:						
Donations and capital grants	2	-	-	40	40	357
Charitable activities:						
Funding for the Academy						
Trust's educational operations	3	107	7,649	-	7,756	6,739
Other trading activities	4	53	-	-	53	89
Investments	5	11	-	-	11	12
Total		171	7,649	40	7,860	7,197
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	-	6,943	870	7,813	7,212
Total		-	6,943	870	7,813	7,212
Net income / (expenditure)		171	706	(830)	47	(15)
Transfer between funds	14	(214)		214	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	22	-	(67)	-	(67)	(435)
Net movement in funds		(43)	639	(616)	(20)	(450)
Reconciliation of funds						
Total funds brought forward		1,495	(1,125)	31,252	31,622	32,072
Total funds carried forward		1,452	(486)	30,636	31,602	31,622

The accompanying notes form part of these financial statements.

Woking College
Statement of Financial Activities
For the period ended 31 August 2019
(including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2018/19 Year Total
		£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	2	3	-	354	357
Transfer from the former Woking College on conversion		-	-	-	-
Charitable activities:					
Funding for the Academy Trust's educational operations	3	112	6,627	-	6,739
Other trading activities	4	89	-	-	89
Investments	5	12	-	-	12
Total		216	6,627	354	7,197
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	-	6,488	724	7,212
Total		-	6,488	724	7,212
Net income / (expenditure)		216	139	(370)	(15)
Transfer between funds	14	-	-	-	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	22	-	(435)	-	(435)
Net movement in funds		216	(296)	-	(450)
Reconciliation of funds					
Total funds brought forward		1,279	(829)	31,622	32,072
Total funds carried forward		1,495	(1,125)	31,252	31,622

Woking College

Balance Sheet

As at 31 August 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	11		30,508		31,124
Current assets					
Debtors	12	175		243	
Cash at bank and in hand		3,094		2,094	
		<u>3,269</u>		<u>2,337</u>	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(529)</u>		<u>(463)</u>	
Net current assets			<u>2,740</u>		<u>1,874</u>
Total assets less current liabilities					<u>32,998</u>
Net assets excluding pension liability			<u>33,248</u>		<u>32,998</u>
Defined benefit pension scheme liability	22		<u>(1,646)</u>		<u>(1,376)</u>
Total net assets			<u>31,602</u>		<u>31,622</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	14	30,636		31,252	
Restricted income fund	14	1,160		251	
Pension reserve	14	<u>(1,646)</u>		<u>(1,376)</u>	
Total restricted funds			<u>30,150</u>		<u>30,127</u>
Unrestricted income funds	14		<u>1,452</u>		<u>1,495</u>
Total funds			<u>31,602</u>		<u>31,622</u>

The accompanying notes form part of these financial statements.

The financial statements on pages 25 to 45 were approved by the Trustees and authorised for issue on December 2020 and are signed on their behalf by



Timothy Stokes
Chair of Trustees



Brett Freeman
Accounting Officer

Woking College
Cash Flow Statement
For the period ended 31 August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	1,203	258
Cash flows from financing activities	18	(203)	140
Change in cash and cash equivalents in the reporting period		<u>1,000</u>	<u>398</u>
Cash and cash equivalents at 1 September		2,094	1,696
Cash and cash equivalents at 31 August	19	<u>3,094</u>	<u>2,094</u>

The accompanying notes form part of these financial statements.

Woking College

Notes to the Financial Statements

For the period ended 31 August 2020

1 Accounting policies

Woking College is a charitable company, limited by guarantee and registered in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. A review of the balance sheet shows net current assets are £2,740k and Cash at bank and in hand £3,094k. The Trustees have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern as thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Grant for 19+ funding is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any clawback in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

1 Accounting policies (continued)

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets (excluding Transfers on conversion/into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities. All resources expended are inclusive of irrecoverable VAT.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

1 Accounting policies (continued)

Tangible Fixed Assets

Individual assets costing £1,000 or more and a group of assets costings £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Freehold land and buildings 20 - 50 years
- Furniture and equipment 3 -10 years

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

1 Accounting policies (continued)

Financial Instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

1 Accounting policies (continued)

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Agency Arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

2 Donations and capital grants

			2019/20	2018/19
	Unrestricted Funds £000	Restricted Funds £000	Total £000	Total £000
Capital grants	-	40	40	354
Other donations	-	-	-	3
	-	40	40	357

3 Funding for the Trust's educational operations

			2019/20	2018/19
	Unrestricted Funds £000	Restricted Funds £000	Total £000	Total £000
DfE / EFSA grants				
General Annual Grant (GAG)	-	6,981	6,981	6,335
Other DfE Group grants	-	586	586	248
		7,567	7,567	6,583
Other Government grants				
Local authority grants	-	82	82	44
Other income from the Trust's educational operations	107	-	107	112
	107	7,649	7,756	6,739

4 Other trading activities

			2019/20	2018/19
	Unrestricted Funds £000	Restricted Funds £000	Total £000	Total £000
Hire of facilities	31	-	31	46
Income from other charitable activities	22	-	22	43
	53	-	53	89

5 Investment income

			2019/20	2018/19
	Unrestricted Funds £000	Restricted Funds £000	Total £000	Total £000
Short term deposits	11	-	11	12
	11	-	11	12

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

6 Expenditure

	Staff costs £000	Premises £000	Other £000	Non-Pay Expenditure	
				2019/20 £000	2018/19 £000
Academy's educational operations:					
Direct costs	4,812	-	484	5,296	4,857
Allocated Support costs	879	466	1,172	2,517	2,355
	<u>5,691</u>	<u>466</u>	<u>1,656</u>	<u>7,813</u>	<u>7,212</u>

Net income/ (expenditure) for the period includes:

	2019/20 £000	2018/19 £000
Operating lease rentals	16	16
Depreciation	697	725
Impairment	173	-
Fees payable to auditor for:		
Audit	15	14
Other services	1	1
	<u>1</u>	<u>1</u>

Included within expenditure are the following transactions:

	2019/20 £000	2018/19 £000
Unrecoverable debts	1	-
Staff gift vouchers	47	38
	<u>47</u>	<u>38</u>

7 Charitable activities

	2019/20 £000	2018/19 £000
Direct costs – educational operations	5,296	4,857
Support costs – educational operations	2,517	2,355
	<u>7,813</u>	<u>7,212</u>

Analysis of support costs

	2019/20 £000	2018/19 £000
	Educational operations	Total
	£000	£000
Support staff costs	879	784
Depreciation	697	725
Impairment	173	-
Technology costs	41	50
Premises costs	466	488
Other support costs	223	275
Governance costs	27	33
Legal costs	11	
	<u>2,517</u>	<u>2,355</u>

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

8 Staff

a) Staff costs

Staff costs during the period were:

	2019/20 £000	2018/19 £000
Wages and Salaries	4,192	3,960
Social security costs	427	402
Pension costs	1,071	774
	<u>5,690</u>	<u>5,137</u>
Agency staff costs	1	16
Staff restructuring costs	-	4
	<u>5,691</u>	<u>5,156</u>
Staff restructuring costs comprise:		
Severance payments	-	4

b) Non statutory/non contractual staff severance payments

There were no non-contractual severance payments included in staff restructuring costs above. (2019: £3,618).

c) Staff numbers

The average number of persons employed by the Trust during the period was as follows:

	2019/20 No.	2018/19 No.
Teachers	99	96
Administration and support	43	41
Management	5	5
	<u>147</u>	<u>142</u>

d) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019/20 No.	2018/19 No.
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

8 Staff (Continued)

e) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their service to the Trust was £578k (2019: £523k).

Trustees/Directors do not receive any remuneration.

9 Related Party Transactions – Trustees' remuneration and expenses

One Trustee has been paid remuneration or have received other benefits from employment with the Trust. The Principal and other staff trustee only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

B Freeman (Principal and trustee):

Remuneration £100,000 - £110,000 (2019: £95,000 - £100,000)

Employer's pension contributions paid £20,000 - £25,000 (2019: £15,000 - £20,000)

During the period ended 31 August 2020, travel and subsistence expenses totalling £183 (2019: £210) were reimbursed or paid directly to the Principal. During the year, the College incurred £190 on training costs for the Principal and one trustee.

10 Trustees and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust's business. The insurance costs £1,596 (2019: £1,245). The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Freehold Land and Buildings £000	Furniture and equipment £000	Total £000
Cost			
At 1 September 2019	32,187	1,143	33,330
Additions	173	81	254
Disposals	-	(55)	(55)
At 31 August 2020	<u>32,360</u>	<u>1,169</u>	<u>33,529</u>
Depreciation			
At 1 September 2019	1,208	998	2,206
Charged in year	617	80	697
Impairment	173	-	173
Eliminated in respect disposal	-	(55)	(55)
At 31 August 2020	<u>1,998</u>	<u>1,023</u>	<u>3,021</u>
Net book values			
At 1 September 2019	30,979	145	31,124
At 31 August 2020	<u>30,362</u>	<u>146</u>	<u>30,508</u>

The land and buildings carrying value of £30,362k includes non-depreciated land valued at £12,470k.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

12 Debtors

	2020 £000	2019 £000
Other debtors	16	7
Vat recoverable	73	143
Prepayments and accrued income due within one year	65	88
	<u>154</u>	<u>243</u>
Prepayments and accrued income due over one year	21	-
	<u>175</u>	<u>-</u>

13 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	240	153
Other taxation and social security	133	99
ESFA creditor: overpayment of Adult Education Funding	-	39
Accruals and deferred income	156	172
	<u>529</u>	<u>463</u>
Deferred income:		
Deferred income at 1 September	12	-
Released from previous years	(12)	-
Resources deferred in the year	21	12
Deferred income at 31 August	<u>21</u>	<u>12</u>

Deferred income comprises grants received in advance for the 2020/21 financial year.

14 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	8	6,981	(6,447)	-	542
Other grants	243	668	(293)	-	618
Pension reserve	(1,376)	-	(203)	(67)	(1,646)
	<u>(1,125)</u>	<u>7,649</u>	<u>(6,943)</u>	<u>(67)</u>	<u>(486)</u>
Restricted fixed asset funds					
Transfer on conversion	31,879	-	(629)	-	31,250
DfE Group capital grants	763	40	(63)	-	740
Capital expenditure from GAG	(1,390)	-	(178)	214	(1,354)
	<u>31,252</u>	<u>40</u>	<u>(870)</u>	<u>214</u>	<u>30,636</u>
Total restricted funds	<u>30,127</u>	<u>7,689</u>	<u>(7,813)</u>	<u>147</u>	<u>30,150</u>
Total unrestricted funds	<u>1,495</u>	<u>171</u>	<u>-</u>	<u>(214)</u>	<u>1,452</u>
Total funds	<u>31,622</u>	<u>7,860</u>	<u>(7,813)</u>	<u>(67)</u>	<u>31,602</u>

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

14 Funds (Continued)

The specific purposes for which the funds are to be applied are as follows:

The Restricted General Fund includes GAG and other grants received from the ESFA and the Local Authority towards educational activities.

The Restricted Fixed Asset Fund includes amounts received from the ESFA in respect of tangible fixed assets held for the Trusts use. Transfers between the GAG Fund and Restricted Fixed Asset Fund relate to purchases from this fund.

The Pension Reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme overseen by Surrey County Council.

Under the Funding Agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
Transfer on conversion	(332)	-	-	332	-
General Annual Grant (GAG)	257	6,187	(6,104)	(332)	8
Other grants	44	440	(241)	-	243
Pension reserve	(798)	-	(143)	(435)	(1,376)
	(829)	6,627	(6,488)	(435)	(1,125)
Restricted fixed asset funds					
Transfer on conversion	31,879	-	-	-	31,879
DfE Group capital grants	409	354	-	-	763
Depreciation	(666)	-	(724)	-	(1,390)
	31,622	354	(724)	-	31,252
Total restricted funds	30,793	6,981	(7,212)	(435)	30,127
Total unrestricted funds	1,279	216	-	-	1,495
Total funds	32,072	7,197	(7,212)	(435)	31,622

15 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets			30,508	30,508
Current assets	2,596	545	128	3,269
Current liabilities	(1,144)	615	-	(529)
Pension scheme liability	-	(1,646)	-	(1,646)
Total net assets	1,452	(486)	30,636	31,602

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

15 Analysis of net assets between funds (Continued)

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	31,124	31,124
Current assets	1,495	842	128	2,465
Current liabilities	-	(591)	-	(591)
Pension scheme liability	-	(1,376)	-	(1,376)
Total net assets	1,495	(1,125)	31,252	31,622

16 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	16	16
Amounts due between one and five years	-	16
	16	32

17 Reconciliation of net income / (expenditure) to net cash flow from Operating Activities:

	Note	2019/20 £000	2018/19 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		47	(15)
Adjusted for:			
Depreciation	11	697	724
Impairment	11	173	
Capital grants from DfE and other capital income		(40)	(354)
Interest receivable	5	(11)	(12)
Defined benefit pension scheme cost less contributions payable	23	177	119
Defined benefit pension scheme finance cost	23	26	24
Decrease/(Increase) in debtors		68	(56)
Increase/(Decrease) in creditors		66	(172)
Net cash provided by Operating Activities		1,203	258

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

18 Cash Flows from Investing Activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	11	12
Purchase of tangible fixed assets	(254)	(226)
Capital grants from DfE Group	40	354
Net cash provided by Investing Activities	203	140

19 Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand and at bank	3,094	2,094
Total cash and cash equivalents	3,094	2,094

20 Contingent liabilities

There are no contingent liabilities.

21 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

22 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £106k were payable to the schemes at 31 August 2020 (2019: £81k) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

22 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £750k (2019: £499k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £169k (2019: £162k), of which employer's contributions totalled £129k (2019: £124k) and employees' contributions totalled £40k (2019: £38k). The agreed contribution rates for future years are 18.5% per cent for employers and 5.5% - 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of a Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Woking College

Notes to the Financial Statements (Continued)

22 Pension and similar obligations (Continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.2	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lump sums	25% pre April 2008 service 63% post April 2008 service	25% pre April 2008 service 63% post April 2008 service

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

	2020	2019
	%	%
<i>Retiring today</i>		
Males	22.1	21.6
Females	24.3	23.6
<i>Retiring in 20 years</i>		
Males	22.9	22.5
Females	25.7	25.0

Sensitivity analysis:

	2020	2019
	%	%
Discount rate -0.5%	484	480
Salary +0.5%	28	112
CPI rate +0.5%	448	355

The Academy Trust's share of the assets in the scheme was:

	2020	2019
	£000	£000
Equities	2,187	2,196
Corporate bonds	516	557
Property	243	247
Cash and other assets	92	93
Total market value of assets	3,038	3,093

The actual return on scheme assets was £150k (£2019: £123k).

Woking College

Notes to the Financial Statements (Continued)

22 Pension and similar obligations (Continued)

	2020 £000	2019 £000
Current service cost	(327)	(251)
Past service cost	-	(13)
Interest income	57	80
Interest cost	(83)	(104)
Benefit changes, gains / (loss) on curtailment and gain / (loss) on settlement	(67)	(435)
Total income recognised in the SOFA	(420)	(723)

Changes in the present value of defined benefit obligations were as follows:

	2020 £000	2019 £000
At 1 September 2019	4,469	3,598
Current service cost	327	251
Past service cost	-	13
Interest cost	83	104
Employee contributions	40	38
Actuarial (gain)/loss	(154)	539
Benefits paid	(81)	(74)
At 31 August 2020	4,684	4,469

Changes in the fair value of Academy Trust's share of scheme assets:

	2019 £000	2018 £000
At 1 September 2019	3,093	2,800
Interest income	57	80
Scheme participants' contributions	40	38
Employer contributions paid	150	145
Benefits paid	(81)	(74)
Actuarial gain/(loss)	(221)	104
At 31 August 2020	3,038	3,093

23 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

Woking College

Notes to the Financial Statements (Continued)

For the period ended 31 August 2020

24 Agency arrangements

	2020 £000	2019 £000
Balance at 1 September	17	8
Funding body grants	146	119
Disbursed to Students	(163)	(104)
Administration costs	-	(6)
Balance overspend at 31st August	<u>-</u>	<u>17</u>

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the account period ending 31 August 2020 the Trust received £164k and disbursed £181k from the fund. Comparatives for the accounting period ending 31 August 2019 are £119k received, £104k disbursed and £17k included in other creditors.

25 Events after the end of the reporting period

The College has entered into an agreement with the Old Woking Community Centre to use designated rooms within the centre for Year 13 College students. This has allowed the College to create a quiet study space, IT room and social space for all Year 13 students.

