

Company Registration Number:
10821223 (England and Wales)

Woking College
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the period 15 June 2017 - 31 August 2018

Woking College

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Woking College

Reference and Administrative Details

Members

Mr M. Ingram	Appointed 15 June 2017
Revd. Dr D. R. Marks	Appointed 15 June 2017
Mrs G. Mather	Appointed 15 June 2017
Mr L. Oates	Appointed 15 June 2017
Mr R. Volo	Appointed 15 June 2017

Trustees

Mr R Volo	Chair of Trustees (Appointed 15 June 2017, Resigned 31 August 2018)
Ms E Bentley-Pattison (Staff trustee)	Appointed 8 November 2017, Resigned 6 March 2018
Mrs E Cussans	Appointed 1 September 2018
Ms S Dhanjal	Appointed 15 June 2017, Resigned 11 December 2017
Mr B Freeman	Principal and Accounting Officer, Appointed 15 June 2017
Mr M Hearsam	Appointed 15 June 2017
Mrs G Mather	Appointed 15 June 2017, Chair of Trustees (Appointed 1 September 2018)
Mr H J Miles	Appointed 9 October 2017
Mr C Mitchell	Appointed 1 September 2018
Mr J Moffat	Appointed 15 June 2017
Dr M Mulheron	Appointed 15 June 2017
Mr B Smith	Appointed 1 September 2018
Mr T Spraggs	Appointed 9 October 2017, Resigned 11 May 2018
Mr T Stokes	Appointed 15 June 2017
Mrs Y Aslam	Appointed 12 November 2018

Senior Management Team

Principal	Mr B Freeman
Deputy Principal	Mr N Razaq (Assistant Principal to 1 May 2018)
Assistant principal	Ms R Stratton (Resigned 30 April 2018)
Assistant principal	Ms L Cook (Appointed 1 May 2018)
Assistant principal	Ms K Foan (Appointed 1 May 2018)
Finance Director	Ms K Mercer (Resigned 27 August 2018)
	Ms F Munday (Appointed 28 August 2018)

Clerk to Trustees	Mrs H Meredith
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Company Name	Woking College
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Company Registration Number	10821223 (England and Wales)
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Principal and Registered Office	Rydens Way Woking, GU22 9DL
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Independent auditor	KPMG LLP 58 Clarendon Road Watford WD17 1DE
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Bankers	Lloyds Bank PLC 2 City Place, Beehive Ring Road Gatwick, RH6 0PA
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Woking College

Reference and Administrative Details (continued)

Solicitors

Stevens & Bolton
Wey House, Farnham Road, Guildford
Surrey GU1 4YD

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 period 15 June 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy which specialises in academic and vocational courses for 16-19 year olds. During the year it has had c1320 students enrolled. In addition, the academy has a number of part time courses (predominantly English For Speakers of Other Languages) which serve the local community and currently have c 350 students enrolled on a part time basis.

The conversion to a Single Academy Trust on 1st September 2017 involved the transfer of identifiable assets and liabilities and all operations of the college for £nil consideration. The asset and liabilities transferred on conversion from Woking College to the Academy trust have been valued at their fair value.

Structure, Governance and Management

Constitution

The academy 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 academy trust. The charitable company operates as Woking College.

The Trustees of Woking College are also the Directors of the charitable company for the purposes of company law. 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 Academy 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 Academy 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 Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

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

The Academy looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills to provide the Academy 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.

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

An annual Governance Conference is held each September to update Trustees on latest developments at College and an annual Strategic Plan Review takes place each May / June to update Trustees on developments within the sector and the possible impact for the Academy Trust.

Organisational Structure

The Senior Management Team consists of the Principal, Deputy Principal, two Assistant Principals and 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. The committee structure of the Board of Trustees consists of Finance and Policy Committee and Audit Committee. 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 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.

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 Academy 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. The College also has close links with The Lightbox art gallery (Registered Charity Number 1073543) where an annual art and fashion exhibition is held by the College.

Woking College

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The Academy 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 16 to 19 Academy offering a curriculum appropriate to the needs of its students. In addition, the Academy 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.

Within these objects, the academy trust aims to create an environment where student success is the priority so as to increase life-choices for all students.

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 is 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, struggle 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. The College's main strategic objectives are:

- To enhance student life choices and chances through maximising examination and coursework successes whilst paying due attention to student's progression plans;
- To 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.
- To 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
- To maximise its income and the efficient allocation of resources enabling successful learning, teaching and student success.
- To 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
- To look further forwards considering political, economic, social and technological developments and their potential impact on planning at Woking College.

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 10 and 13.

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

Strategic report

Achievements and Performance

The achievements in 2017/18 in relation to the main strategic objectives include:

- The college grew to 1420 FTE 16-18 students in 17/18
- Average ALPS grade 3
- 95% of students would recommend the College as a place to study
- 59% of students immediately entered higher Education compared to 58% in the previous year. 30% of students left for employment and apprenticeships compared to 23% the prior year and 11% took a gap year.

Woking College

Trustees' Report (continued)

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

- Student achievement;
- 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

Going Concern

The Academy Trust has achieved an operational surplus and has retained reserves. After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy 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 25.

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 surplus before other gains and losses for the period of £31,780k. This arose due an operational surplus of £110k and £31,670k income transferred from the former Woking College to the Academy Trust on conversion.

At 31 August 2018 the net book value of fixed assets was £31,622k 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.

The College made a successful CIF bid in December 2017 for replacement of two roofs with the work scheduled to be completed by the end of December 2018.

Total funds available at 31 August 2018 amount to £32,072k and the value of free reserves is £1,279k.

Reserves Policy

The policy is to have at least £500k in free reserves (excluding restricted fixed asset fund asset £31,662k at 31 August 2018 and pension reserve £798k deficit at 31 August 2018) 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 asset and pension reserve) at 31 August 2018 is £1,248k which is 2.5 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 2018 amount to £32,072k and the amount available for general purposes of the academy trust at 31 August 2018 amount to £1,279k.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 is £1,248k.

Woking College

Trustees' Report (continued)

Investment Policy

The Academy 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 Academy Trust would take professional advice on suitable investment opportunities.

Principal Risks and Uncertainties

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

A risk register is maintained at the Academy Trust, which is reviewed at each meeting of the Audit Committee, and on a regular basis by the Senior Management Team. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy 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 Academy Trust. Not all the factors are within the Academy Trust's control. Other factors besides those listed below may also adversely affect the Academy 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 throughout 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 Colleges' agreed strategic objectives are met:

- Mission Statement
- QIP
- Five-year Strategic Plan
- Financial plan

The documents listed above are all reviewed on an on-going basis by 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 appropriate Government bodies as being sufficient to achieve the College's strategic objectives in the short/medium term.

3. 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.

Woking College

Trustees' Report (continued)

Plans for Future Periods

The College plans to continue implementing its mission "to improve the life chances of our students". During 18/19 the key objectives will be as follows:

Leadership and management

- More new teachers to be trained internally and ease recruitment
- Trustees knowledge and contributions further enhanced
- Accurate data produced, when required, to help further develop all aspects of College life
- Complete GDPR update training
- Key areas of improvement in preparation for Ofsted audited and foci understood
- Appropriate changes made to the College site to ensure effective planning

Teaching, Learning and Assessment

- Improved consistency and expectations across all lessons and tutorials
- More effective use of tracking systems to monitor student progress
- Launch of Professional Learning Communities (PLCs) with clear focus on teacher skill development
- Students are appropriately prepared for subject study skills from the start of their courses
- Students use feedback more productively to enhance their learning

Personal Development, Behaviour and Welfare

- Full review of the new pastoral programme
- Increased uptake of enrichment amongst students
- Learner voice, student surveys and focus groups built into departmental reviews
- All departments run high quality, meaningful out of class experiences which are well received by students
- Create a range of additional support sessions for under-performing students through the year

Outcomes for Learners

- Maintaining achievement rate above national average for GCSE retake students
- To maintain above sector averages for all results including value added measures.

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 12 December 2018 and signed on the board's behalf by:



Gaynor Mather
Chair of Trustees
12 December 2018

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 5 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
Mr R Volo	5	5	100
Ms E Bentley-Pattison	1	2	50
Ms S Dhanjal	0	2	0
Mr B Freeman- Principal	5	5	100
Mr M Hearsum	3	5	60
Mrs G Mather	5	5	100
Mr H J Miles	4	4	100
Mr J Moffat	5	5	100
Dr M Mulheron	5	5	100
Mr T Spraggs	2	3	67
Mr T Stokes	5	5	100

Key changes in the composition of the Board of Trustees

In preparing for conversion to an Academy Trust the Board of Woking College undertook a review of governance at the College including reviewing the composition and size of the Board and the number of Board Committees to determine the most effective size and governance structure for the Academy Trust. The Board of the Academy Trust agreed to operate as a considerably smaller and more stream-lined board with fewer committees than existed prior to conversion to an academy. The Academy Board operates through a more Policy Governance based style of governance which has been in place from September 2017.

The Academy Trust came into inception with three Trustee vacancies; two parent trustees and one skill-based to be elected by college staff. Those vacancies were filled by elections during the autumn term 2017.

Following the subsequent resignation of the elected Staff Trustee a further review of governance by the Board resulted in the decision to adopt DfE guidance not to continue to elect a Trustee from the staff. The composition of the Board was therefore changed so that the Board no longer includes a Trustee elected by college staff.

Woking College

Governance Statement (continued)

Coverage of the work of the Board of Trustees

The Board of Trustees meets at least 5 times each year. If additional meetings are considered necessary, either additional Board Meetings are convened as required or the Board sets up working groups. The Board has two committees: separate Audit and Finance and Policy Committees which meet under the guidance of a Chair - the Chair of the Finance Committee is a qualified Chartered Accountant.

Written Terms of Reference for the committees are reviewed once a year and the Clerk to the Trustees coordinates the work of the Board of Trustees. The minutes of both committees, and key reports including the management accounts, are also considered by the full Board at its next meeting. Management accounts are circulated 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 Committee (which meets once a term or more often if required) the Board maintains effective oversight of the College's funds despite having less than six formal Board Meetings each year.

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. One or more Trustees attend 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. Trustees also use learning walks and student focus groups to help validate their judgments about the College's performance.

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 their effectiveness against their 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 2017-18 as a Grade 1- Outstanding. Achievement against targets in the Governance Improvement Plan was reviewed mid-year by the Board's Governance Working Party and action instituted to ensure that all targets are met.

One challenge faced by the Board on reducing the number of Board Members was how to replace the Link Governor scheme as the new Board had too few Trustees to include a Board Member linked to each Head of Department. The action taken to address this challenge was the setting up of contextualised learning walks for Trustees focused on a particular curriculum area or a particular aspect of teaching, learning and assessment.

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 against a three-year slice compared with data for previous years from Woking College as well as benchmarking comparing the College with other colleges and academies. 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.

Woking College

Governance Statement (continued)

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 SLT. In addition, the Chair and Vice-Chair hold regular Student Focus Groups without college management present to test the accuracy of the data which they receive.

Governance Review

In January 2018, a Financial Management and Governance Self-assessment (FMGS) validation audit was carried out by ESFA in January 2018. The audit found that the College was progressing towards compliance with the mandatory requirements set by the Academies Financial Handbook 2017. The feedback from the visit made some recommendations to ensure compliance and one recommendation in relation to a point of best practice. The Board adopted an Action Plan and reviewed the progress against these recommendations throughout the year. All recommended actions were completed by July 2018.

The Board is aware of the need continually to 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 adopted a Governance Quality Improvement Plan for 2017-18 with five areas for improvement in autumn term 2017 and the Board's Governance Working Party reviewed achievement against targets mid-year and instituted action to ensure that all targets were met. The effectiveness of governance for 2017-18 was reviewed at a Board Meeting in September 2018 when this was self-assessed for 2017-18 as a Grade 1- Outstanding as all targets had been met. The Governance Improvement Plan for 2018-19 was set and action against the targets will be reviewed during the year by the Clerk to the Trustees, the Governance Working Group and the Board and the next annual self-evaluation review will take place in September 2019.

The Board decided that the combination of the ESFA validation visit, the review of the resulting Action Plan, the internal Governance Improvement Plan and the monitoring of this and the annual Self-Assessment of Governance fulfilled the requirements for the Academy to undertake a review of governance in its first year as an Academy.

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 removal of a trustee elected by college staff should help to retain clear lines of accountability through the College Principal;
- Periodic updates are now given to trustees to remind them of their responsibilities as trustees and directors;
- Since September 2018 there is only one Trustee who is also a Member of the Academy Trust providing a more robust governance structure due to the significant degree of separation between the member and trustee roles;
- Trustees have increased their focus on the strategic direction for the College and will continue to give greater emphasis to the clarity of their strategic planning during 2018-19.

Woking College

Governance Statement (continued)

Finance and Policy Committee

The Finance and Policy Committee is a committee of the Board of Trustees. It operates in accordance with written Terms of Reference approved by the Trustees. Its purpose is to review the financial position of the Academy 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 Academy 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.

Attendance during the period at meetings was as follows:

Trustees	Meetings attended	Out of a possible	% Attendance
Ms S Dhanjal	0	1	0
Mr B. Freeman - Principal	3	3	100
Mr J. Moffat	3	3	100
Dr M. Mulheron	3	3	100
Mr T. Spraggs	1	2	50
Mr R. Volo	3	3	100

Audit Committee

The Audit Committee comprises up to five committee members (excluding the Accounting Officer (Principal) and Chair). The committee may include up to two co-opted members who are not Trustees so long as the majority for a quorate meeting are Trustees.

It operates in accordance with written Terms of Reference approved by the Trustees. Its purpose is to advise the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and governance processes. The Audit Committee meets twice a year, and provides a forum for reporting by the Academy 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 Audit Committee review follow-up tracker reports to ensure that recommendations have been implemented.

The Audit 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.

Attendance during the period at meetings was as follows:

Trustees	Meetings attended	Out of a possible	% Attendance
Mr M Hearsum	1	2	50
Mrs G. Mather	2	2	100
Mr J Miles	2	2	100
Mr T. Stokes	2	2	100
Mr A. Stickland (Co-opted committee member)	1	2	50

Woking College

Governance Statement (continued)

Finance and Audit Committee

A decision was made by the Board in July 2018 to combine with Finance and Audit Committee with effect from 1 September 2018.

Review of Value for Money

As accounting Officer, the Principal has responsibility for ensuring that the academy 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 academy 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 academy trust has delivered improved value for money during the year by:

- Financial controls and procedures reviewed regularly including written delegations and clear purchasing procedures;
- Robust challenging of all expenditure
- Regular budget monitoring including comprehensive monthly management accounts which are reported to Trustees;
- Three-year financial planning and cash-flow forecasting;
- Collaborative procurement programme with S7 covering staff development
- Undertaking regular review of benchmarking
- During the year the College has taken out new printer leases which will save the College c £6K over 3 years. The College has also saved money on advertising by entering into a three-year contract saving c £7K a year.

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 Academy 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 15th June 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy 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 academy trust's significant risks that has been in place for the period 15 June 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

Woking College

Governance Statement (continued)

The Risk and Control Framework

The academy 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 Policy 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 has decided not to appoint an internal auditor. The Trustees have however appointed KPMG LLP, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations

The external auditor reports to the Board of Trustees twice a year, through the 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.

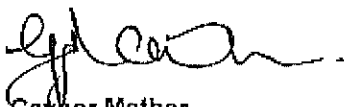
Review of effectiveness

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 academy 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 their 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 12 December 2018 and signed on its behalf by:



Gary Mather
Trustee



Brett Freeman
Accounting Officer

Woking College

Statement of Regularity, Propriety and Compliance

As accounting officer of Woking College, I have considered my responsibility to notify the academy 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 academy trust, under the funding agreement in place between the academy 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 2017.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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
12 December 2018

Woking College

Statement of Trustees' Responsibilities

The trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations, including the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA).

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

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 the charitable company's 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 (FRS 102) and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement; whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/Department for Education have been applied for the purposes intended.

Approved by order of the members of the board of Trustees on 12 December 2018 and signed on its behalf by:



Gaynor Mather
Chair of Trustees

Independent Auditor's Report to the Members of Woking College

Opinion

We have audited the financial statements of Woking College ("the charitable company") for the period ended 31 August 2018 which comprise the statement of financial activities incorporating income & expenditure account, balance sheet, statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2017 to 2018* issued by the Education and Skills Funding Agency.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report, Governance Statement, Statement on Regularity, Propriety and Compliance and Statement of Trustees' Responsibilities. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the Trustees' Report and Governance Statement for the financial period, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Woking College

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 17, the Trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company'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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

B. J. Stapleton

Benjamin Stapleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
Hertfordshire
WD17 1DE
12 December 2018

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 11 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 15 June 2017 to 31 August 2018 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 (the Academy Trust) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust 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 the Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 28 July 2017 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 15 June 2017 to 31 August 2018 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 2017 to 2018 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.

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Principal on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2017

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

- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2017 to 2018.

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 15 June 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

B. J. Stapleton

Benjamin Stapleton
for and on behalf of KPMG LLP
Chartered Accountants
58 Clarendon Road
Watford
Hertfordshire
WD17 1DE

12 December 2018

Woking College
Statement of Financial Activities
For the period ended 31 August 2018
(including Income and Expenditure Account)

					2017/18
	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
		£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	2	13	-	409	422
Transfer from the former Woking College on conversion	26	1,071	(1,280)	31,879	31,670
Charitable activities:					
Funding for the academy trust's educational operations	3	102	6,288	-	6,390
Other trading activities	4	89	-	-	89
Investments	5	4	-	-	4
Total		1,279	5,008	32,288	38,575
Expenditure on:	6				
Raising funds		-	-	-	-
Charitable activities:					
Grants		-	-	-	-
Academy trust educational operations	7	-	6,060	735	6,795
Total		-	6,060	735	6,795
Net income / (expenditure)		1,279	(1,052)	31,553	31,780
Transfer between funds	14	-	(69)	69	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	23	-	292	-	292
Net movement in funds		1,279	(829)	31,622	32,072
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		1,279	(829)	31,622	32,072

The accompanying notes form part of these financial statements.

Woking College

Balance Sheet

as at 31 August 2018


Company number 10821223

	Note	2018 £000	2018 £000
Fixed assets			
Tangible assets	11		31,622
Current assets			
Debtors	12	178	
Cash at bank and in hand		<u>1,696</u>	
		1,874	
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(626)</u>	
Net current assets			<u>1,248</u>
Total assets less current liabilities			<u>32,870</u>
Creditors: Amounts falling due after more than one year			-
Net assets excluding pension liability			<u>32,870</u>
Defined benefit pension scheme liability	23		<u>(798)</u>
Total net assets			<u>32,072</u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	14	31,622	
Restricted income fund	14	(31)	
Pension reserve	14	<u>(798)</u>	
Total restricted funds			<u>30,793</u>
Unrestricted income funds	14		<u>1,279</u>
Total funds			<u>32,072</u>

The accompanying notes form part of these financial statements.

The financial statements on pages 22 to 41 were approved by the Trustees and authorised for issue on 12 December 2018 and are signed on their behalf by


Gaynor Mather
Chair of Trustees


Brett Freeman
Accounting Officer (Principal)

Woking College
Statement of Cash Flows
For the period ended 31 August 2018

	Note	2018 £000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	18	318
Cash received on conversion 1 September 2017		1,443
Cash flows from investing activities		-
Cash flows from financing activities	19	(65)
Change in cash and cash equivalents in the reporting period		1,696
Cash and cash equivalents at 15 June 2017		-
Cash and cash equivalents at 31 August 2018	20	1,696

The accompanying notes form part of these financial statements.

Woking College

Notes to the Financial Statements

For the period ended 31 August 2018

1 Accounting policies

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 Academy 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 2017 to 2018 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 £1,248k and Cash at bank and in hand £1,696k. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy 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 academy 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 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.

- **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.

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

1 Accounting policies (continued)

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy 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'.

- **Transfer on conversion**

The conversion from a Sixth Form College to an Academy Trust involved the transfer of identifiable assets and liabilities and all operations of the college for £nil consideration. The substance of the transactions is that of a gift and has been accounted for on that basis as set out below.

The asset and liabilities transferred on conversion from Woking College to the Academy trust have been valued at their fair value. The fair value has been derived based on net book value of all assets except land and buildings which were externally revalued. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations and capital grant income in the Statement of Financial Activities and analysed under Unrestricted Funds, Restricted General Funds and Restricted Fixed Asset Funds.

Further details of the transactions are set out in note 26.

- **Donated fixed assets (excluding Transfers on conversion/into the Academy 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 academy 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 academy 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 academy trust's educational operations, including support costs and costs relating to the governance of the academy 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 2018

1 Accounting policies (continued)

Tangible Fixed Assets

Assets costing £1,000 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 fixtures | 5 - 10 years |
| • Plant and equipment | 3 years |

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 academy 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 Academy 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 2018

1 Accounting policies (continued)

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 Academy 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 academy 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 academy 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 so as to spread the cost of pensions over employees' working lives with the academy 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 on the basis of 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 academy 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of 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 2018

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 Academy 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 Academy 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 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 academy 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 academy trust does not have control over the charitable application of the funds. The academy 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 25.

Woking College
Notes to the Financial Statements (continued)
For the period ended 31 August 2018

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000
Capital grants	-	409	409
Other donations	13	-	13
	<u>13</u>	<u>409</u>	<u>422</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000
DfE / EFSA grants			
General Annual Grant (GAG)	-	6,028	6,028
Other DfE Group grants	-	225	225
	-	<u>6,253</u>	<u>6,253</u>
Other Government grants			
Local authority grants	-	35	35
Other income from the academy trust's educational operations	102	-	102
	<u>102</u>	<u>6,288</u>	<u>6,390</u>

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000
Hire of facilities	54	-	54
Income from other charitable activities	35	-	35
	<u>89</u>	<u>-</u>	<u>89</u>

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000
Short term deposits	4	-	4
	<u>4</u>	<u>-</u>	<u>4</u>

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

6 Expenditure

	Non-Pay Expenditure			2017/18
	Staff costs £000	Premises £000	Other £000	Total £000
Academy's educational operations:				
Direct costs	4,130	-	437	4,567
Allocated Support costs	734	524	970	2,228
	<u>4,864</u>	<u>524</u>	<u>1,407</u>	<u>6,795</u>

Net income/ (expenditure) for the period includes:

	2017/18 £000
Operating lease rentals	16
Depreciation	735
(Gain)/loss on disposal of fixed assets	-
Fees payable to auditor for:	
Audit	15
Other services	<u>1</u>

There were no transactions above £5k requiring disclosure.

7 Charitable activities

	2017/18 £000
Direct costs – educational operations	4,567
Support costs – educational operations	<u>2,228</u>
	<u>6,795</u>

Analysis of support costs

	2017/18	
	Educational operations £000	Total £000
Support staff costs	717	717
Depreciation	735	735
Technology costs	30	30
Premises costs	524	524
Other support costs	194	194
Governance costs	28	28
	<u>2,228</u>	<u>2,228</u>

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

8 Staff

a. Staff costs

Staff costs during the period were:

	2017/18 £000
Wages and Salaries	3,753
Social security costs	367
Pension costs	732
	<u>4,852</u>
Agency staff costs	12
Staff restructuring costs	-
	<u>4,864</u>

b. Staff numbers

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

	2017/18 No.
Teachers	95
Administration and support	41
Management	5
	<u>141</u>

c. Higher paid staff

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

	2017/18 No.
£60,001 - £70,000	1
£90,001 - £100,000	1
	<u>2</u>

d. Key management personnel

The key management personnel of the academy 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 academy trust was £346k.

Trustees / Directors do not receive any remuneration.

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

9 Related Party Transactions – Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have received other benefits from employment with the academy 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 £90,000 - £95,000
 Employer's pension contributions paid £15,000 - £20,000

E. Bentley-Patterson (staff trustee):
 Remuneration £10,000 - £15,000
 Employer's pension contributions paid £2,000 - £5,000

During the period ended 31 August 2018, travel and subsistence expenses totalling £210 were reimbursed or paid directly to the Principal. No such amounts were reimbursed or paid to other trustees.

10 Trustees and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 in a year and the cost for the period ended 31 August 2018 was £1,326. The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Freehold Land and Buildings £000	Equipment and Furniture £000	Total £000
Cost			
At 15 June 2017	-	-	-
Transfer on conversion	31,582	1,195	32,777
Additions	417	61	478
Disposals	-	(61)	(61)
At 31 August 2018	31,999	1,195	33,194
Depreciation			
At 15 June 2017	-	-	-
Charged in year	596	139	735
Transfer on conversion	-	898	898
Eliminated in respect of disposal	-	(61)	(61)
At 31 August 2018	596	976	1,572
Net book values			
At 15 June 2017	-	-	-
At 31 August 2018	31,403	219	31,622

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

12 Debtors

	2018 £000
Vat recoverable	122
Prepayments and accrued income	56
	<u>178</u>

13 Creditors: amounts falling due within one year

	2018 £000
Trade creditors	178
Other taxation and social security	90
ESFA creditor: overpayment of AEB	154
Accruals and deferred income	204
	<u>626</u>

14 Funds

	Balance at 15 June 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
Transfer on conversion	-	(332)	-	-	(332)
General Annual Grant (GAG)	-	6,028	(5,702)	(69)	257
Other grants	-	260	(216)	-	44
Pension reserve	-	(948)	(142)	292	(798)
	-	5,008	(6,060)	223	(829)
Restricted fixed asset funds					
Transfer on conversion	-	31,879	-	-	31,879
DfE Group capital grants	-	409	-	-	409
Depreciation	-	-	(735)	69	(666)
	-	32,288	(735)	69	31,622
Total restricted funds	-	37,296	(6,795)	292	30,793
Total unrestricted funds	-	1,279	-	-	1,279
Total funds	-	38,575	(6,795)	292	32,072

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 academy use. Transfers between the GAG Fund and Restricted Fixed Asset Fund relate to amounts used for purchases from this fund.

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

14 Funds (continued)

The Pension Reserve relates to the Academy 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 Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2018.

15 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	31,622	31,622
Current assets	1,279	695	-	1,874
Current liabilities	-	(626)	-	(626)
Pension scheme liability	-	(798)	-	(798)
Total net assets	1,279	(829)	31,622	32,072

16 Capital commitments

	2018 £000
Contracted for, but not provided in the financial statements	221

17 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000
Amounts due within one year	16
Amounts due between one and five years	31
Amounts due after five years	-
	47

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities:

	Note	2017/18 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		31,780
Adjusted for:		
Net assets on conversion		(31,670)
Depreciation	11	735
Capital grants from DfE and other capital income		(409)
Interest receivable	5	(4)
Defined benefit pension scheme cost less contributions payable	23	117
Defined benefit pension scheme finance cost	23	25
(Increase)/decrease in debtors		(123)
Increase/(decrease) in creditors		(133)
Net cash provided by / (used in) Operating Activities		318

19 Cash Flows from financing activities

	2018 £000
Dividends, interest and rents from investments	4
Proceeds from sale of tangible fixed assets	-
Purchase of tangible fixed assets	(478)
Capital grants from DfE Group	409
Capital funding received from sponsors and others	-
Net cash provided by / (used in) Investing Activities	(65)

20 Analysis of cash and cash equivalents

	2018 £000
Cash in hand and at bank	1,696
Total cash and cash equivalents	1,696

21 Contingent liabilities

There are no contingent liabilities.

22 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.

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

23 Pension and similar obligations

The academy 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 latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £74k were payable to the schemes at 31 August 2018 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015.

The next valuation of the TPS is currently underway based on April 2016 data. Her Majesty's Treasury (HMT) published draft Directions for the Teachers' Pension Scheme in September 2018 which allows the Department for Education (DfE) to finalise the pension scheme valuation. Initial indications are that the amount employers pay towards the schemes will need to increase to 23.6% from 1 September 2019 due to the proposed changes to the discount rate, which is used to assess the current cost of future payments from the schemes estimated to increase.

The employer's pension costs paid to TPS in the period amounted to £477k.

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

23 Pension and similar obligations (continued)

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 academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2018 was £180k of which employer's contributions totalled £144k and employees' contributions totalled £36k. The agreed contribution rates for future years are 19.6% 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

The College has entered into an agreement to pay £21,000 per annum additional contribution in addition to normal funding levels until at least March 2020.

Principal actuarial assumptions

		2018 %
Rate of increase in salaries		2.7
Rate of increase for pensions in payment/inflation		2.4
Discount rate for scheme liabilities		2.8
Inflation assumption (CPI)		2.4
Commutation of pensions to lump sums		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:

		2018 %
<i>Retiring today</i>		
Males		22.5
Females		24.6
<i>Retiring in 20 years</i>		
Males		24.1
Females		26.4

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

23 Pension and similar obligations (continued)

Sensitivity analysis:

	2018
	%
Discount rate -0.5%	369
Salary +0.5%	96
CPI rate +0.5%	266

The academy trust's share of the assets in the scheme was:

	2018
	£000
Equities	2,016
Corporate bonds	476
Property	196
Cash and other assets	112
Total market value of assets	2,800

The actual return on scheme assets was £139k.

Amount recognised in the Statement of Financial Activities:

	2018
	£000
Current service cost	(261)
Interest income	65
Interest cost	(90)
Benefit changes, gains / (loss) on curtailment and gain / (loss) on settlement	292
Admin expenses	-
Total income recognised in the SOFA	6

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

	2018
	£000
At 15 June 2017	-
Conversion of academy trust	3,499
Current service cost	261
Interest cost	90
Employee contributions	36
Actuarial (gain)/loss	(218)
Benefits paid	(70)
At 31 August 2018	3,598

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

23 Pension and similar obligations (continued)

Changes in the fair value of academy trust's share of scheme assets:

	2018 £000
At 15 June 2017	-
Conversion of academy trusts	2,551
Interest income	65
Scheme participants' contributions	36
Employer contributions paid	144
Benefits paid	(70)
Actuarial (gain)/loss	74
At 31 August	<u>2,800</u>

24 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 AFH 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.

25 Agency arrangements

Leaner support funds

	2018 £000
Balance 15/6/17	-
Balance transferred on conversion 1/9/17	15
Funding body grants	138
Disbursed to Students	(138)
Administration costs	(7)
Balance unspent at 31st August 2018 included in creditors	<u>8</u>

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

Woking College

Notes to the Financial Statements (continued)

For the period ended 31 August 2018

26 Conversion to an academy trust

On 1st September 2017 Woking College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Woking College Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as Donations - transferred on conversion.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total £000
Tangible fixed assets				
- Freehold land and buildings	-	-	31,582	31,582
- Equipment	-	-	297	297
Current Assets	1,498	-	-	1,498
Current liabilities	(427)	(332)	-	(759)
LGPS pension deficit		(948)	-	(948)
Net liabilities/assets	1,071	(1,280)	31,879	31,670

27 Events after the end of the reporting period

There have been no events since the balance sheet date that would materially affect the results for the period.