New College, Swindon
Annual Report and Financial Statements
Year ended 31st July 2022

New College, Swindon

Contents

New College, Swindon

Reference and Administrative Details

Board of Governors
M Wyn Griffith (Chair)
C Kitching (Principal & Chief Executive)
J Arnott
P Bhardwaj
P Boucher
S Cove
J Dernie
L Hannigan
E Jarman
M Lawson
K Newman
D Panes
S Sameresinghe
T Thurston
D Tirunas
J Webster
R Wheeler

Clerk/Company Secretary
T Scaife

Senior management team

C Kitching	-	Principal and Chief Executive
S Horrobin	-	Deputy Principal (Finance and Resources)
L Palmer	-	Deputy Principal (Curriculum and Learners) from October 2022
L Plested	-	Vice Principal (HE and Curriculum)
M Prince	-	Interim Vice Principal (Business Development)
P Denham	-	Interim Vice Principal (Curriculum, Development & Quality) from January 2022 to October 2022
P Fry	-	Head of HR from June 2022
A Fahey	-	Deputy Principal (Curriculum and Quality) to October 2021

Principal and Registered Office
Queen's Drive Campus, New College Drive, Swindon

Professional advisors

External auditors	Mazars LLP, Bristol
Solicitors	Withy King LLP, Swindon
Bankers	Barclays Bank Plc, Swindon

Strategic report

OBJECTIVES AND STRATEGIES

The governing body present their annual report together with the financial statements and auditor's report for New College, Swindon for the year ended 31st July 2022.

Legal status
The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting New College, Swindon. The college is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Mission and Objectives
Following the merger with Swindon College in August 2020, the Board of Governors undertook a full review of the College's Purpose (Mission) and Strategy. In light of the fact that the College was in its first post-merger year, strategic objectives were grouped under two headings;

- 2021-23, immediate priorities to provide a firm foundation for further development, and
- 2021-26, longer term objectives.

The College's Purpose is:

Better Lives Through Learning

The College's seven strategic themes are:

One	Great teaching, learning and progression
Two	An innovative, relevant and responsive curriculum
Three	Great digital and physical learning environments
Four	Meeting employers' and customers' needs
Five	At the heart of our community
Six	Financial sustainability enabling re-investment
Seven	A great place to work

Financial plan
The College governors approved a financial plan in July 2022 which sets objectives for the period to 31st July 2023. The College aims to maintain its health rating of 'Good' and achieve a small operating surplus in the year to 31st July 2023.

The Governors' primary financial objective is to ensure that the College remains financially sound and achieves outstanding or good financial health as per the Education and Skills Funding Agency (ESFA) guidance.

Resources

- People:
  During the year, the monthly average number of staff engaged by the College was 679, of which 376 were teaching and delivery related staff.
- Students:
  The College's student population includes 4,540 16–18-year-old students, 7,762 adult funded learners, 1,552 higher education students, 1,100 apprentices and 2,073 non-funded learners.
- Assets:
  The college has £46.2m (2021: £18.7m) of net assets including £nil of pension liability (2021: £27.2m) and £0.9m (2021: £1.2m) of long-term debt. Fixed assets includes both College campuses, including the Department for Education funded Institute of Technology complex, sited at the North Star campus. The College also holds £16.9m (2021: £11.8m) of cash
- Reputation:
  The College has a good reputation locally. A monitoring visit in 2021 resulted in a judgement of "reasonable progress" since the merger.

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021/22, the ESFA provided 80% of the College's total income.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. All borrowing requires the authorisation of the Corporation.

The College has no plans to increase borrowings and is confident that the loan taken out in 2020/21 will be repaid in line with the scheduled repayment plan.

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses relevant websites and data sources such as National Achievement Rate Tables, Department for Education (DfE) Performance tables, Mides Reports, RCU Vector and student feedback mechanisms such as FE Choices. The last year for which nationally recognised data was published was 2018/19. Under the changes brought about through Covid-19 there is not nationally published data for 2019/20 or 2020/21.

The College is required to complete the College Financial Forecasting Return (CFFR) for the ESFA.

The Corporation monitors the College's Key Performance Indicators through the Principal's Report.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

Stakeholders
The College has excellent relationships with a wide range of stakeholders. These are essential to ensure that we can offer our student body the widest range of opportunities and progression routes. These include:

- Our current, future and past students
- Our staff and their trade unions (mainly University & College Union and Unison)
- Our funding bodies - the ESFA, Office for Students (OfS)
- Our regulatory bodies
- Employers
- Employer Representative Bodies (ERBs) - e.g., Business West, Thames Valley Chamber of Commerce.
- Swindon Borough Council, and other Local authorities
- The Swindon and Wiltshire LEP (SWLEP)
- Partner Universities (namely Oxford Brookes University, Bath Spa University & University of Gloucester)
- Local schools
- Community and voluntary organisations
- National good practice networks for staff

The College plays a strong strategic role in the wider community. This includes; the Principal being a SWLEP Board Director and Chair of the SWLEP Skills &Talent Subgroup; the Principal and other College staff sitting on key local Boards (such as the Towns' Fund Board, Cultural Quarter Development Board and the Education Strategy Board).

Public benefit
New 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 pages 15 to 17. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 17,000 students, including 235 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths course. The College adjusts its courses to meet the needs of local employers and provides training to 1,100 apprentices. The College is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENTS AND PERFORMANCE

Merger
The focus on achieving a number of benefits to improve prospects for all our stakeholders is now embedded in the College's Strategic Plan. Systems integrations and upgrades were largely completed during the year.

The Institute of Technology building and refurbishment work was completed for September 2022 entry. At the same time the College undertook significant refurbishment of other areas, particularly at North Star, including a new development for the delivery of T Levels in Business, Finance and Administration for September 2022 delivery, a significant addition to the existing T Level hub facilities of hospital wards, a nursery and science wet labs.

Covid-19
Although official restrictions for Covid 19 had been lifted there continued to be a significant impact, and the College maintained rules on mask wearing at the beginning of the year in communal areas. The transmission of the virus was quite high causing interruptions in the delivery on some courses due to either student or staff absence and this had an impact on both student attendance and achievement. The mitigations that were in place from the awarding bodies were stripped back with only a few qualifications with any significant mitigation allowed and this was only at unit and not qualification level. The majority of students who took examinations this year were doing so for the first time as their GCSE exams were cancelled due to Covid 19, resulting in high levels of anxiety for many students which required significant support from staff teams.

Apprenticeships, employer facing work, student work placements and adult leisure classes continued to be negatively impacted as recruitment to vacancies was slower and a number of apprentices were made redundant. This impacted on performance initially but picked up later in the year, narrowing the gap to target. In some sectors such as Digital and Computing, changes in work patterns established during the pandemic such as working from home make it harder for employers to effectively support or take on an apprentice. Student work placements in sectors such as Childcare and Health and Social Care were slow to return and has led to some students not being able to achieve the full aspects of their course as they were not able to complete the hours required.

Curriculum developments
The academic year of 2021/22 saw a number of new courses commence:

T levels in Health, Early Years, Laboratory Science and Digital were able to start delivery in their new facilities that were supported by the T Level Capital Fund Bid. Recruitment on Health and Early years was relatively strong though the others were weaker against targets. The development of the Finance, Administration and Business zone took place at the North Star campus with a planned completion date of August 2022 ready for the delivery of T level pathways in these subjects to start in September 2022.

Other developments in the full-time curriculum were seen in E-sports, Construction and the Built Environment, Construction Multi Skills and Level 3 Plumbing. Additional programmes were added to the part time distance learning provision and the Leisure and Pleasure classes were reviewed and refreshed. Our higher education offer saw additions of the Level 4 in Advanced Beauty Therapy and HND in Art and Design. With further programmes in development for a 2022/23 start such as a BSc for Health and Social Care and FdSc's in Applied Science (Chemical Sciences), Applied Science (Biochemical Sciences), Network Engineering, Software Engineering and Data Analytics.

For apprenticeships Level 3 IT Solutions and Level 2 Digital and Technology Solutions Professional (4 pathways), Level 4 Engineering Manufacturing Technician were added to the portfolio of provision.

Capital Developments
During the year the College spent £17.2m on tangible fixed asset additions, including £14.9m on the new Institute of Technology complex, which was completed in time for the new academic year. The remaining expenditure was split between land and buildings (£1.3m) and equipment purchased (£1.0m).

Institute of Technology
The IoT spend in year of £14.9m brought the total investment to c.£18.5m, consisting of construction works of c£13.0m and equipment expenditure of c£5.5m. The project commenced in November 2020, and was completed for the new academic year in September 2022.

T Levels
The College has been successful in consecutive T Level capital support bids. Wave 2 amounted to a £1.7m investment started in the summer of 2021, and completed in September 2021; Wave 3 amounts to £0.4m started in the summer of 2022 and completed in September 2022; and Wave 4 allocated £1.7m due to start November 2022.

Student numbers
In 2021/22, the College delivered activity that has produced £29.1m in funding body main allocation funding (2020/21: £27.9m). The College has approximately 13,400 funded students within its 17,027 student enrolments.

Student achievements
2022 saw public examinations reinstated for the first time in two years and outcomes more aligned with 2018/19 outcomes as was the picture nationally. GCSE Maths resit results were above national resit averages and English broadly in line. Over 500 students progressed to University or Higher Education including progression onto college based HE and new HE provision in the Institute of Technology. A high percentage of students had positive destinations into employment, apprenticeships and further study. The college continued to experience notable student absences due to covid, particularly in the autumn and spring terms. Significant additional support was provided to prepare students for public exams where significantly higher levels of anxiety than usual were prevalent.

Financial Results
The College generated a deficit before other gains/losses of £2.7m (2021: deficit of £3.1m) during the year.

Staff cost is the College's highest item of expenditure, at £24.1m (2021: £25.5m). This cost has decreased as a result of several staffing reviews, which led to a number of posts being removed.

Cash flows and liquidity
The College's cash flow from operating activities was £6.7m (2021: £1.9m), with an overall cash increase of £5.1m (2021: £2.3m). This has led to an increase in the cash reserves balance to £16.9m.

During the year the College repaid £289k of loan debt, in line with the facility agreement.

Reserves
As at the balance sheet date, the College's reserves include £nil (2021: £nil) held as restricted reserves, £45.4m (2021: £17.9m) of unrestricted reserves and £0.8m (2021: £0.8m) of revaluation reserve. The College wishes to continue to accumulate reserves and cash balances in order to both create a contingency fund to meet future capital expenditure requirements and to provide financial resilience.

Payment performance
The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2021 to 31st July 2022, the College paid 69.0% (2020/21 - 61.3%) of its invoices within 30 days. The College incurred minimal interest charges in respect of late payment for this period.

College Subsidiaries
During the year the College established New College Swindon Services Ltd, a 100% subsidiary of the College. New College Swindon Services Ltd was incorporated on 7th April 2022. At 31st July 2022, the only activity the company had undertaken was the issuing of £1 share capital to the College.

FUTURE PROSPECTS

Institute of Technology
The DFE funded project was completed for the new academic year in September 2022. IoT courses started in September 2021 and were hosted temporarily in other facilities at the North Star campus whilst the building works were completed. The delay from the original completion date of September 2021 has had an impact on learner recruitment for September 2022 entry.

The University of Gloucestershire is the main HE anchor partner and the project is also supported by Oxford Brookes University.

This is an employer-led initiative and a wide range of employers have been instrumental in shaping the curriculum offer that will focus on Level 4, 5 and 6, a mix of apprenticeships and stand-alone higher education and degree programmes. The core focus is on STEM, but also includes Health-related courses as well as management.

The IoT secured just over £0.5m of funding to deliver a pilot of short courses in higher level technical skills for existing employees from local companies, which attracted national attention from BBC and the Minister for Further Education and Higher Education, Michelle Donelan.

T Levels
The College has prepared for the delivery of a further three T Level pathways in 2022, to join with the four pathways that started in September 2021. A capital bid of £0.4m was submitted to develop the Finance Zone which has now been completed and students recruited. A further capital bid was made in 2022 to fund a new Animal Management Centre with additional outdoor space for animal enclosures, this will replace some poor-quality buildings at our North Star campus and provide a state-of-the-art facility for this growing curriculum area.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and Corporation, and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the college and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The main risk factors affecting the College are outlined below along with the action taken to minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- **Financial sustainability**
  Similar to other FE Institutions, the College relies on continued government funding, primarily through the Education and the Skills Funding Agency. In 2022, 80% of College revenue came from publicly funded sources (2021: 71%) and although the College is actively working to reduce this reliance, and increase income from other sources, this high level of requirement is expected to continue in the immediate future. The College continues to have regular dialogue with the Education and the Skills Funding Agency in relation to this.

  The College is aware of the pressure on DfE funding. More locally, the College faces increased competition in Swindon and beyond, due to new school and academy sixth forms/technical colleges.

  These risks are mitigated in a number of ways:

  - Committing to the delivery of high-quality education and training the College operates robust financial controls aimed at maintaining its ESFA financial health rating of 'Good'.
  - Maintaining and managing key relationships with the various funding bodies.
  - Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
  - Ensuring the College maintains its adequate cash reserves.
  - Reducing reliance on government funding.
  - Close monitoring of government policies and funding agencies agenda.
  - Engaging with key stakeholders on the Swindon LEP and IoT Group.
  - Reviewing local and national market opportunities and implementing an approach to Apprenticeships that accounts for changes in market demand and in ESFA rules.
  - Ensuring a comprehensive and coherent curriculum offer of high-quality courses from Level 1 and 2 to Higher Education courses.
  - Maintaining and improving the quality of all courses with a clear focus on a College Achievement Rate target of over 88%.
  - Identifying opportunities for growth in Adult Learner Loans and learning from best practice which exists elsewhere, including the development of higher level professional and technical courses.

- **Safeguarding**
  Potential failure of safeguarding procedures is a fundamental risk for all colleges.

  This risk is mitigated in a number of ways:

  - The College has robust and comprehensive policies and procedures in place, all linked to national guidelines. The policy is updated annually to reflect changes to the government guidelines.
  - There is a team of dedicated trained safeguarding officers, with training rolled out to all staff and governors.
  - The College Head of Safeguarding is a member of appropriate professional bodies (including the Swindon Safeguarding Partnership, Swindon Prevent Board and Swindon & Wiltshire Strategic Contest Board), and the College has strong working relationship with other appropriate partners.
  - The College has recognised safeguarding software, 'My Concern' for referrals, monitoring and reporting.
  - Ofsted comments that safeguarding at New College is managed in a 'robust and rigorous' manner.
  - There has been significant investment in student wellbeing including the purchasing of Togetherall, a platform widely used by colleges and universities to provide 24/7 access to staff and students on a wide range of mental health resources and support.

- **Quality**
  The College places the highest priority on ensuring quality provision in all its curriculum areas and maintains a clear focus on monitoring performance at course level against national averages and three-year trends.

  Quality assurance processes include:
  - Predicted Achievement Rate (PAR) cycle with year to date, three-year trend information and forecasts of achievement rates in year. This process highlights students at risk and identifies interventions strategies to improve their performance.
  - Work Based Learning Reviews (WBL) to monitor the performance of apprenticeship provision.
  - Quarterly Faculty Performance Reviews (QFPRs) to monitor quality of Teaching, Learning and Assessment (TLA), including Achievement Rate (AR), retention, progression and funding compliance at faculty level.
  - Quality intervention on underperforming courses and focus on Value Added.
  - College-wide Quality cycle with a well-established process of Self-Assessment.
  - Reviews and Quality Improvement Plans to support, monitor and intervene where required.
  - Robust process for logging, tracking and monitoring of complaints and concerns in order to respond to feedback and make improvements where identified.

- **Pensions**

  The College has fully implemented the provisions of FRS 102 in order to account for the Wiltshire County Pension Scheme in accordance with the advice of independent qualified actuaries.

  Significant judgments are required in relation to assumptions for future salary increases, inflation, investment returns and member longevity that underpin actuarial valuations. Such judgments and valuations are reviewed by senior management on a regular basis and discussed with governing bodies, including the College's Resource Integration and Change Committee (RICC), which in turn makes recommendations to the Corporation.

  The Corporation considers that the basis of valuation used by and the actuaries is based on assumptions which in the medium to long term may prove to be inaccurate. In this sense, whilst it may give a broad indication, it does not provide an accurate determination of the value of a pension scheme, or of the College's share of liabilities within that scheme.

  As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

EQUALITY AND DIVERSITY

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in age, disability, gender-reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry or inequality. This policy is resourced, implemented and monitored on a regular and planned basis. The College's Equality Policy is published on the College's Intranet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

The College is a 'Disability Confident' employer and has committed to the principles and objectives of developing this status to the next level. The College welcomes employment applications from disabled persons, and guarantees an interview to any applicant who discloses a disability who meets the essential criteria for the post. Where an existing employee becomes disabled, significant support is given to consider reasonable adjustments at work. The College's policy is to provide training, career development and opportunities for promotion for all employees.

All New College staff undertake Equality, Diversity and Inclusion training with a mandatory update every three years. The College has an Equality, Diversity and Inclusion Strategic Committee whose principal accountability is to identify EDI objectives to develop inclusive opportunities for all.

Gender pay gap reporting

Report to:	Year ending 31st March 2021
Mean gender pay gap	12.79%
Median gender pay gap	14.41%
Mean bonus gender pay gap	No bonuses paid
Median gender bonus gap	No bonuses paid
Proportion of males/females receiving a bonus	No bonuses paid

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	23.81%	76.19%
2 – Lower middle	23.81%	76.19%
3 – Upper middle	42.55%	57.45%
4 – Upper quartile	40.21%	59.79%

The College publishes its annual gender pay gap report on its website.

Disability statement

New College tackles disability discrimination in a positive and practical way that actively promotes opportunities and on-going development for disabled people. The College seeks to achieve the objectives set down in the Equality Act 2010.

New College initiatives aim to raise awareness and promote positive attitudes to disability:

- Student inductions include activities aimed at raising awareness of disability and other aspects of equality and diversity, together with a description of counselling and welfare services and the Complaints and Disciplinary policy.
- Annual diversity and health weeks to promote positive attitudes, celebrate diversity and raise awareness of a range of issues.
- Disability awareness training forms part of the staff development programme and more specific disability training, for example on deaf awareness, has been provided.
- Disability Confident employer (Level 2) reaccreditation December 2020.
- A range of assistive technology is available for use by students in the learning centres.
- The admissions policy for all students is published. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

Trade union facility time

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

Numbers of employees who were Trade Union Officials during the relevant period (Apr 21 - Mar 22)	FTE employee number
6	5.83

Percentage of time	Number of employees
0%	0
1-50%	6
51-99%	0
100%	0

Total cost of facility time	£7,265
Total pay bill	£21,878,000
Percentage of total bill spent on facility time	0.0332%

Time spent on paid trade union activities as a percentage of total paid facility time	0%

GOING CONCERN

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

This conclusion has been reached after the consideration of the cash balances, cash generation of the College and the historical trading surpluses.

EVENTS AFTER THE REPORTING PERIOD

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions with immediate effect and this prompted the Department for Education to introduce some new rules for colleges which will take effect during 2023.

The College considers this announcement to be a non-adjusting post balance sheet event and is evaluating the implications of the announcement and the potential new rules but do not consider that they will have an impact on these financial statements..

DISCLOSURE OF INFORMATION TO AUDITORS

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the corporation on 6th December 2022 and signed on its behalf by:

Martin Wyn Griffith
Chair

New College, Swindon

Governance Statement

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

GOVERNANCE CODE

The College endeavours to conduct its business:

1. In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code").

In the opinion of the Governors, the College complies with the provisions of the Code, and it has complied throughout the year ended 31st July 2022. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 13th October 2015 and again on 7th March 2022.

In March 2019, the Corporation passed a resolution that terms of office for governors will generally be restricted to a maximum of two terms of office of four years. The Corporation reserves the right to review all governor re-appointments on a case-by-case basis with the right to override the recommended maximum term of office where there is a skills shortage or choosing not to reappoint would cause quoracy issues.

THE CORPORATION

Members of the corporation

The members who served on the corporation during the year and up to the date of signature of this report were as listed in the table below (attendance figures relate to attendance at Corporation in 2021/22 only - figures given in brackets are for attendance at Corporation plus attendance at relevant committees).

	Date of first appoint-ment	Term of office ends	Date of resigna-tion	Status of appointment	Committees served	Attend-ance in 2021/22
Martin Wyn Griffith	Aug 2020	Aug 2024		Corporation Chair External Governor	Nominations, Remuneration & Governance	100% (100%)
Jim Webster	Mar 2015	Mar 2023		Corporation Vice-chair RIC Chair External Governor	Nominations, Remuneration & Governance Resources, Integration & Change	100% (100%)

	Date of first appoint-ment	Term of office ends	Date of resigna-tion	Status of appointment	Committees served	Attend-ance in 2021/22
Carole Kitching	Jul 2018	n/a		Principal & Chief Executive	Curriculum & Quality Nominations, Remuneration & Governance Resources, Integration & Change	100% (93%)
John Dernie	Oct 2015	Oct 2023		External Governor	Audit Resources, Integration & Change	100% (92%)
Simon Cove	Dec 2016	Dec 2024		External Governor	Curriculum & Quality Resources, Integration & Change	100% (84%)
Kathy Newman	Jun 2017	Jun 2025		Audit Chair External Governor	Audit	80% (87%)
John Arnott	Feb 2018	Feb 2022		NRG Chair External Governor	Nominations, Remuneration & Governance Audit	100% (81%)
Pradeep Bhardwaj	Mar 2019	Mar 2023		External Governor	Curriculum & Quality Audit	40% (36%)
Peter Boucher	Mar 2019	Mar 2023		External Governor	Resources, Integration & Change	100% (80%)
Tim Thurston	Jul 2019	Jul 2023		External Governor	Audit Curriculum & Quality	60% (62%)
Keeran Vetriko	Jul 2019	Jul 2023	Jan 2022	External Governor	None	100%
Emma Jarman	Aug 2020	Aug 2024		C&Q Chair External Governor	Curriculum & Quality	80% (87%)
Shereen Sameresinghe	Mar 2022	Mar 2026		External Governor	Curriculum & Quality Resources, Integration & Change	100% (83%)
Monica Lawson	Nov 2018	Nov 2022		Staff Governor	Curriculum & Quality	100% (100%)
David Panes	Feb 2020	Feb 2024		Staff Governor	Curriculum & Quality	100% (87%)

	Date of first appoint-ment	Term of office ends	Date of resigna-tion	Status of appointment	Committees served	Attend-ance in 2021/22
Rob Wheeler	Feb 2020	Feb 2024		IoT Governor	Resources, Integration & Change	40% (60%)
Luke Hannigan	Jan 2022	Jul 2022	N/A	Student Governor	None	66%
Danielis Tirunas	Jan 2022	July 2022	N/A	Student Governor	None	66%

The governance framework

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets five times per academic year.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Curriculum and Quality; Audit; Resources, Integration and Change; and Nominations, Remuneration and Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website (newcollege.ac.uk) or from the Clerk to the Corporation at the College's registered address.

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

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

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

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

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation's Nominations, Remuneration and Governance committee, consisting of four members of the Corporation, is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

Corporation performance

The Corporation has undertaken a self-assessment of its own performance during the 2021/22 academic year.

The annual self-assessment of the Corporation was undertaken via a questionnaire circulated to all members of the Board. It focused on the Board's collective performance and covered governance structure, strategic vision and strategy creation, Board behaviour, decision making, responsibilities and adding value. The completed questionnaires were collated and assessed by the Clerk to the Corporation who reported the outcome to the Chair of the Corporation and the Board in July 2022. Based on the returns, actions are being taken/implemented as appropriate. The Corporation sets itself an attendance target for both the Corporation and the committees which are reported annually to the Board. Corporation performance is also taken into account within the leadership and management judgements of the Common Inspection Framework.

Nominations, Remuneration and Governance Committee

Throughout the year ending 31st July 2022, the College's Nominations, Remuneration and Governance Committee comprised of four members of the Corporation. One of the Committee's responsibilities is to make recommendations to the Board on the remuneration and benefits of the Principal & Chief Executive and the Clerk.

Details of remuneration for the year ended 31st July 2022 are set out in note 8 to the financial statements.

Audit Committee

Throughout the year ending 31st July 2022, the Audit Committee comprised of five members of the Corporation (excluding the Accounting Officer and Chair), including one co-opted member. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

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

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

The Audit Committee met three times in the year to 31st July 2022. The members of the committee and their attendance records are shown below:

Committee member	% Meetings attended
Kathy Newman (Chair)	100%
John Dernie	66%
John Arnott	66%
Pradeep Bhardwaj	33%
Rob Stokes (co-opted)	66%

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between New College, Swindon and the funding bodies. She is also responsible for reporting to the corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in New College, Swindon for the year ended 31st July 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body.
- Regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines, where appropriate.

The College has an internal audit service provided by RSM UK Risk Assurance Services LLP, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the corporation on the recommendation of the Audit Committee. At minimum, annually, the Internal Audit Partner provides the governing body with a report on internal audit activity in the College. The report includes the Internal Audit Partner's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

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

- Key Financial Controls – creditors and payments; cash and banking
- Framework for compliance with legal requirements – safeguarding and Prevent
- Marketing and Employability Arrangements
- Key Financial Controls
- Governance, Risk and Controls Management Arrangements
- Key Payroll Controls
- Learner Number Systems – Testing based on selected areas of the funding audit approach for Apprenticeships and Study Programmes

Statement from the Audit Committee

The Audit Committee considers the assurance arrangements and risk management framework to be overall adequate and effective, with ongoing improvements identified and actions tracked.

Review of effectiveness

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

- The work of the internal auditors.
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has adequate and effective assurance arrangements; assurance over subcontracting; a framework for governance, risk management and control; and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Approved by order of the members of the Corporation on 6th December 2022 and signed on its behalf by:

Martin Wyn Griffith	Carole Kitching
Chair	Accounting Officer

New College, Swindon

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the Corporation's grant funding agreement and contracts with the ESFA. As part of our consideration, we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

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

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

Martin Wyn Griffith
Chair
Date:

Carole Kitching
Accounting Officer
Date:

New College, Swindon

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

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

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

Approved by order of the members of the Corporation on 6th December 2022 and signed on its behalf by:

Martin Wyn Griffith
Chair of governors

New College, Swindon

Independent auditor's report to the members of New College Swindon

Opinion
We have audited the financial statements of New College Swindon (the 'College') for the year ended 31st July 2022 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31st July 2022 and of its deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation
As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on pages 22 and 23, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the College and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the ESFA funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pension legislation.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated.

Use of the audit report

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

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 10/12/22

New College, Swindon

Independent reporting accountant's assurance report on regularity

To: The Corporation of New College, Swindon and Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated [date] and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by New College, Swindon during the period 1st August 2021 to 31st July 2022 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

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

Respective responsibilities of New College, Swindon and the reporting accountant

The Corporation of New College, Swindon is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are 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 Code. 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 1st August 2021 to 31st July 2022 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 Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

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 of the college's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA/ funding agreement with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.

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 1st August 2021 to 31st July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 10/12/22

New College, Swindon

Statement of Comprehensive Income and Expenditure

	Note	2022 £'000	2021 £'000
INCOME			
Funding body grants	2	31,464	29,664
Tuition fees and education contracts	3	7,562	11,286
Other grants and contracts	4	5	114
Other income	5	425	259
Investment income	6	29	12
Donations and Endowments	7	17	126
Total income		**39,502**	**41,461**
EXPENDITURE			
Staff costs	8	24,155	25,524
Other operating expenses	9	15,078	16,332
Depreciation	12	2,440	2,362
Interest and other finance costs	10	492	330
Total expenditure		**42,165**	**44,548**
Deficit before tax		**(2,663)**	**(3,087)**
Taxation	11	-	-
Deficit for the year		**(2,663)**	**(3,087)**
Net assets on business combination		-	13,753
Actuarial gain in respect of enhanced pensions	18	172	50
Actuarial gain/(loss) in respect of pensions scheme	22	32,693	(3,975)
Part of actuarial gain not realised	18	(2,716)	-
Total Comprehensive Income for the year		27,486	6,741

All items of income and expenditure relate to continuing activities.

New College, Swindon

Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1st August 2020	**11,179**	**812**	**11,991**
Net assets on business combination	13,753	-	**13,753**
Deficit from the income and expenditure account	(3,087)	-	**(3,087)**
Other comprehensive expenditure	(3,925)	-	**(3,925)**
Total comprehensive income for the year	6,741	-	**6,741**
Balance at 31st July 2021	**17,920**	**812**	**18,732**
Deficit from the income and expenditure account	(2,663)	-	**(2,663)**
Other comprehensive expenditure	30,149	-	**30,149**
Total comprehensive income for the year	27,486	-	**27,486**
Balance at 31st July 2022	**45,406**	**812**	**46,218**

New College, Swindon

Balance sheet as at 31st July

	Notes	2022 £'000	2021 £'000
Non-current assets			
Tangible Fixed assets	12	71,055	56,307
		71,055	**56,307**
Current assets			
Trade and other receivables	14	812	1,094
Cash and cash equivalents		16,941	11,795
		17,753	**12,889**
Creditors – amounts falling due within one year	15	(13,291)	(7,815)
Net current assets		**4,462**	**5,074**
Total assets less current liabilities		**75,517**	**61,381**
Creditors – amounts falling due after more than one	16	(28,853)	(14,751)
Provisions			
Defined benefit obligations	18	-	(27,246)
Other provisions	18	(446)	(652)
Total net assets		**46,218**	**18,732**
Reserves			
Income and expenditure account		45,406	17,920
Revaluation reserve		812	812
Total reserves		**46,218**	**18,732**

The financial statements on pages 31 to 56 were approved and authorised for issue by the Corporation on 6th December 2022 and were signed on its behalf by:

Martin Wyn Griffith
Chair

Carole Kitching
Accounting Officer

New College, Swindon

Statement of Cash Flows

	Notes	2022 £'000	2021 £'000
Cash flow from operating activities			
Deficit for the year		(2,663)	(3,087)
Adjustment for non-cash items			
Depreciation		2,440	2,362
Deferred capital grants released to income		(541)	(377)
(Increase)/decrease in debtors		282	115
Increase/(decrease) in creditors due within one year		4,517	544
Increase/(decrease in creditors due after one year		-	-
Increase/(decrease) in provisions		(34)	(223)
Pensions costs less contributions payable		2,267	2,256
Adjustment for investing or financing activities			
Investment income		(29)	(12)
Interest payable		492	330
Net cash flow from operating activities		**6,731**	**1,908**
Cash flows from investing activities			
Business combination cash		-	1,629
Investment income		29	12
Withdrawal of deposits		-	-
Capital grant receipts		15,933	4,983
Payments made to acquire fixed assets		(17,187)	(5,715)
		(1,225)	**909**
Cash flows from financing activities			
Interest paid		(24)	(22)
Interest element of finance lease rental payments		(3)	-
New unsecured loans		-	1,563
Repayments of amounts borrowed		(289)	(2,068)
Capital element of finance lease rental payments		(44)	(21)
		(360)	**(548)**
Increase in cash and cash equivalents		**5,146**	**2,269**
Cash and cash equivalents at beginning of the year	19	11,795	9,526
Cash and cash equivalents at end of the year	19	16,941	11,795

New College, Swindon

Notes to the Financial Statements

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of valuations as deemed cost for certain non-current assets at certain transition points.

Going concern

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

The College currently has £0.8m of loan outstanding with the bank and £0.3m with Salix. Neither loan is secured with the bank loan repayable over a further 3 years and the Salix loan repayable over a further 4 years. The College's forecasts and financial projections indicate that it will be able to operate within these existing facilities and its covenants for the foreseeable future.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue grant funding
Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depends on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding
Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee income
Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

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

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)
The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Wiltshire Local Government Pension Scheme (LGPS)
The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Short term Employment benefits

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

Termination benefits

Termination benefits are accrued for at the date the obligation is reasonably expected to materialise.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings
Freehold buildings are depreciated on a straight-line basis over their expected useful lives of 50 years. Freehold land is not depreciated as it is considered to have an infinite useful life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, as deemed cost, but not to adopt a policy of revaluations of these properties in the future.

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

Subsequent expenditure on existing fixed assets
Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment
Equipment costing less than £1,500 per individual item, unless it forms part of a group of related items, is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- Technical equipment 4 years
- Motor vehicles 4 years
- computer equipment 5 years
- Furniture, fixtures and fittings 10 years

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 Comprehensive Income and Expenditure.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

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

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

Foreign currency translation

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Other key sources of estimation uncertainty

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The present value of the Local Government Pension Scheme defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension obligation. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2019 to value the pensions obligation as at 31st July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation.
- Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 July 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 July. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

2 Funding body grants

	2022 £'000	2021 £'000
Recurrent grants		
Education and Skills Funding Agency – 16 -18	21,083	20,845
Education and Skills Funding Agency – adult education	4,423	5,397
Education and Skills Funding Agency – apprenticeships	3,421	1,560
Office for students	210	119
Specific grants		
Education and Skills Funding Agency – capacity & delivery	230	382
Education and Skills Funding Agency – tuition fee fund	647	237
Education and Skills Funding Agency – other	281	63
Teacher Pension Scheme contribution grant	628	684
Releases of government capital grants	541	377
Total	**31,464**	**29,664**

Under the Coronavirus related Tuition Fee Fund programme, the Corporation received funding of £487k (2021: £603k) from the ESFA. Of this, together with brought forward funds, £647k (2021: £237k) was utilised in year. The remaining balance of funding of £206k is repayable to the ESFA.

3 Tuition fees and education contracts

	2022 £'000	2021 £'000
Adult education fees	487	585
Apprenticeship fees and contracts	11	1,651
Fees for FE loan supported courses	671	753
Fees for HE loan supported courses	4,385	6,051
Total tuition fees	**5,554**	**9,040**
Education contracts	2,008	2,246
Total	**7,562**	**11,286**

4 Other grants and contracts

	2022 £'000	2021 £'000
Turing scheme	5	-
Coronavirus Job Retention Scheme grant	-	114
Total	**5**	**114**

5 Other income

	2022 £'000	2021 £'000
Catering and residences	-	11
Other income generating activities	180	107
Miscellaneous income	245	141
Total	**425**	**259**

6 Investment income

	2022 £'000	2021 £'000
Other investment income	-	1
Other interest receivable	29	11
Total	**29**	**12**

7 Donations

	2022 £'000	2021 £'000
Unrestricted donations	17	126
Total	**17**	**126**

8 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as full-time equivalents, was:

	2022 No.	2021 No.
Teaching staff	256	276
Non-teaching staff	240	265
	496	**541**

The headcount for the above categories are: Teaching staff 376 (2021: 398) and Non-teaching staff 303 (2021: 315).

Staff costs for the above persons

	2022	2021
	£'000	£'000
Wages and salaries	16,208	17,303
Social security costs	1,579	1,596
Other pension costs	5,658	5,801
Payroll sub total	**23,445**	**24,700**
Contracted out staffing services	553	269
	23,998	**24,969**
Restructuring costs – contractual	157	555
Total Staff costs	**24,155**	**25,524**

The Corporation has salary sacrifice arrangements in place for both a child care voucher scheme and a cycle to work scheme.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Management Team which comprises the Principal and Chief Executive, Deputy Principal (Finance and Resources), Vice Principal (Curriculum and Quality), Vice Principal (HE and Curriculum), Interim Vice Principal (Business Development & Employer Engagement), the Institute of Technology Managing Director and the Head of Human Resources. Staff costs include compensation paid to key management personnel for loss of office.

Emoluments of key management personnel, Accounting Officer and other higher paid staff

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

The number of key management personnel and other staff who received annual emoluments, excluding employer contributions to national insurance and pensions but including benefits in kind, in the following ranges was:

	Key management personnel		Other staff	
	2022 No.	2021 No.	2022 No.	2021 No.
£60,001 to £65,000 p.a.	-	-	2	2
£65,001 to £70,000 p.a.	-	-	-	-
£70,001 to £75,000 p.a.	-	1	-	-
£75,001 to £80,000 p.a.	-	1	-	-
£80,001 to £85,000 p.a.	1	-	-	-
£85,001 to £90,000 p.a.	-	1	-	-
£90,001 to £95,000 p.a.	-	1	-	-
£100,001 to £105,000 p.a.	1	-	-	-
£125,001 to £130,000 p.a.	1	-	-	-
£140,001 to £145,000 p.a.	-	-	-	1
£150,001 to £155,000 p.a.	1	1	-	-
	4	5	2	3

There were two leavers and three new starters within the key management personnel during the year. If the three new starters' salaries were grossed up to a full year, they would have been paid in the £60,001 to £65,000; the £85,001 to £90,000 and the £100,001 to £105,000 bandings.

Also, there was one leaver and two new starters within the other staff category during the year. If the two new starters' salaries were grossed up to a full year, they would have been paid in the £65,001 to £70,000 and the £70,001 to £75,000 bandings.

The former Principal and Chief Executive of Swindon College was retained for part of the financial year 2021/22. He was not considered to be a member of the key management personnel.

Key management personnel compensation is made up as follows:	2022 £'000	2021 £'000
Basic salary	594	572
Performance related pay and bonus	-	-
Other including benefits in kind	50	-
Compensation for loss of office	70	19
Pension contributions	93	129
Total key management personnel compensation	**807**	**720**

During the year, there were no payments of compensation for loss of office to key management personnel. (2021: one)

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2022 £'000	2021 £'000
Basic salary	155	154
Performance related pay and bonus	-	-
Other including benefits in kind	-	-
Pension contributions	37	36
Total compensation	**192**	**190**

The governing body adopted the AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles. The remuneration package of Key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The Principal and Chief Executive reports to the Chair of Governing Council, who undertakes an annual review of her performance against the College's overall objectives using both qualitative and quantitative measures of performance.

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

	2021 £'000	2020 £'000
Principal and Chief Executive's basic salary as a multiple of the median of all staff	5.1	5.1
Principal and Chief Executive's total remuneration as a multiple of the median of all staff	5.2	5.3

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

9 Other operating expenses

	2022 £'000	2021 £'000
Teaching costs	10,213	11,599
Non-teaching costs	2,492	2,751
Premises costs	2,373	1,982
Total	**15,078**	**16,332**

Other operating expenses include:	**2022 £'000**	**2021 £'000**
Auditors' remuneration:		
Financial statements audit	31	38
Other services provided by the financial statements auditor	-	3
Internal audit fees	28	18
Hire of assets under operating leases	130	131
Rent of buildings under operating leases	101	84

10 Interest and other finance costs

	2021 £'000	2020 £'000
On bank loans, overdrafts and other loans:	24	22
On finance leases	3	-
	27	22
Net interest on defined pension liability (note 22)	455	298
Interest on enhanced pension provision (note 18)	10	10
Total	**492**	**330**

11 Taxation

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

12 Tangible fixed assets

	Land and Buildings Freehold £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation				
At 1 August 2021	59,992	7,465	4,308	71,765
Additions	-	291	16,897	17,188
Disposals	-	-	-	-
Assets brought into use	1,696	190	(1,886)	-
At 31 July 2022	**61,688**	**7,946**	**19,319**	**88,953**
Depreciation				
At 1 August 2021	10,177	5,281	-	15,458
Charge for the year	1,644	796	-	2,440
On disposals	-	-	-	-
At 31 July 2022	**11,821**	**6,077**	**-**	**17,898**
Net book value at 31 July 2022	**49,867**	**1,869**	**19,319**	**71,055**
Net book value at 31 July 2021	49,815	2,184	4,308	56,307

The freehold land and buildings inherited from the local education authority at incorporation was valued by external valuers, King Sturge, Chartered Surveyors, as at 1st April 1993 at depreciated replacement cost. If the fixed assets had not been revalued, they would have been included at the historical cost amount of £nil.

As a result of the business combination, the net book value of equipment now includes an amount of £131k (2021: £131k) in respect of assets held under a finance lease. The depreciation charge on these assets for the year was £52k (2021: £52k).

13 Non-current investments

During the year the College acquired the one and only £1 share of the company New College Swindon Services Ltd. New College Swindon Services Ltd was incorporated on 7th April 2022. At 31st July 2022, the only activity the company had undertaken was the issuing of the £1 share capital.

14 Trade and other receivables

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade receivables	545	334
Prepayments and accrued income	267	760
Total	**812**	**1,094**

15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank loans and overdrafts	328	328
Obligations under finance leases	44	44
Trade payables	444	188
Other taxation and social security	341	(12)
Accruals and deferred income	7,786	4,461
Deferred income - government capital grants	1,414	456
Deferred income - government revenue grants	1,823	1,966
Other creditors	937	210
Amounts owed to government bodies	174	174
Total	**13,291**	**7,815**

16 Creditors: amounts falling due after one year

	2022 £'000	2021 £'000
Bank loans	836	1,125
Obligations under finance leases	22	65
Deferred income - government capital grants	27,995	13,561
Total	**28,853**	**14,751**

17 Maturity of debt

(a) Bank loans and overdrafts

	2022 £'000	2021 £'000
In one year or less	328	328
Between one and two years	328	328
Between two and five years	508	797
In five years or more	-	-
Total	**1,164**	**1,453**

Bank loans consist of:

- A Lloyds Bank loan of £1.25m, drawn down on 20th August 2020 and repayable by quarterly instalments over 5 years. Interest is charged at a variable rate at 2.25% pa over the Bank of England base rate. This is an unsecured loan.
- A Salix loan of £391,065, with the final draw down taking place on 1st April 2021 and repayable by half yearly instalments over 5 years. No interest is payable against this loan and it is unsecured.

(b) Finance leases

The net finance lease obligations to which the institution is committed are:

	2022 £'000	2021 £'000
In one year or less	44	44
Between two and five years	22	65
In five years or more	-	-
Total	**66**	**109**

Finance lease obligations are secured on the assets to which they relate.

18 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2021	27,246	652	27,898
Expenditure in the period	(1,412)	(44)	(1,456)
Additions in period	4,143	10	4,153
Actuarial loss	(32,693)	(172)	(32,865)
Part of actuarial gain not recognised	2,716	-	2,716
At 31 July 2022	**-**	**446**	**446**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 22.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The principal assumptions for this calculation are:

	2022	2021
Price inflation	2.9%	2.6%
Discount rate	3.3%	1.6%

19 Cash and cash equivalents

	At 1 August 2021 £'000	Cash flows £'000	At 31 July 2022 £'000
Cash and cash equivalents	11,795	5,146	16,941
Overdrafts	-	-	-
Total	**11,795**	**5,146**	**16,941**

20 Capital commitments

	2022 £'000	2021 £'000
Commitments contracted for at 31 July	142	8,332

The College has entered into a contract for the reconfiguration of part of its Queen's Drive campus under the T-Level Wave 3 programme.

21 Lease obligations

At 31st July the college had minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
Future minimum lease payments due - other	**£'000**	**£'000**
Not later than one year	42	48
Later than one year and not later than five years	-	42
Later than five years	-	-
Total lease payments due	42	90

22 Defined benefit obligations

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

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

Total pension cost for the year		**2022 £000**		**2021 £000**
Teachers' Pension Scheme: contributions paid		1,775		1,854
Local Government Pension Scheme:				
Contributions paid	1,606		1,681	
Additional deficit payments	-		-	
FRS 102 (28) charge	2,277		2,266	
Charge to the Statement of Comprehensive Income		3,883		3,947
Pension Cost for Year within staff costs		**5,658**		**5,801**

Teachers' Pension Scheme

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

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2021/22 academic year.

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

The total pension costs paid to TPS in the year amounted to £1.8m (2021: £1.9m).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Wiltshire Pension Fund. The total contributions made for the year ended 31st July 2022 were £1.8m, of which employer's contributions totalled £1.4m and employees' contributions totalled £0.4m. The agreed contribution rates for the future year are 22.6% for the College and range from 5.5% to 12.5% for employees, depending on salary

The following information is based upon a full actuarial valuation of the fund at 31st March 2019 updated to 31st July 2022 by Hymans Robertson LLP.

	At 31 July 2022	**At 31 July 2021**
Rate of increase in salaries	3.1%	3.2%
Future pensions increases	2.7%	2.8%
Discount rate for scheme liabilities	3.5%	1.6%
Commutation of pensions to lump sums	75%	75%

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

	At 31 July 2022 Years	At 31 July 2021 Years
Retiring today		
Males	21.7	21.9
Females	24.2	24.4
Retiring in 20 years		
Males	22.6	22.9
Females	26.0	26.2

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

	Fair Value at 31 July 2022 £'000	**Fair Value at 31 July 2021 £'000**
Equity instruments	33,903	36,470
Bonds	20,091	20,840
Property	8,790	7,164
Cash	-	651
Total fair value of plan assets	**62,784**	**65,125**

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

	2022 £'000	**2021 £'000**
Fair value of plan assets	62,784	65,125
Present value of plan liabilities	(60,068)	(92,371)
Net pensions asset/(liability)	**2,716**	**(27,246)**
Less notional surplus not recognised (Note 18)	(2,716)	-
Net pensions asset/(liability) as recognised in these financial statements (Note 18)	**-**	**(27,246)**

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

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

	2022 £'000	2021 £'000
Amounts included in staff costs		
Current service cost	3,682	4,147
Past service cost	7	-
Total service cost	**3,689**	**4,147**
Employer contributions	(1,412)	(1,881)
FRS102 (28) wages charge	**2,277**	**2,266**
Amounts included in investment income		
Interest income on plan assets	1,030	781
Interest cost on defined benefit obligation	(1,484)	(1,079)
FRS102 (28) net interest charge	**(454)**	**(298)**
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	(1,989)	5,677
Experience losses arising on defined benefit obligations	(235)	1,101
Changes in assumptions underlying the present value of plan liabilities	34,917	(10,753)
Amount recognised in Other Comprehensive Income	**32,693**	**(3,975)**

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

	2022 £'000	2021 £'000
Net defined benefit (liability)/asset in scheme at 1 August	(27,246)	(8,838)
Movement in year:		
Current service cost	(3,682)	(4,147)
Employer contributions	1,412	1,881
Past service cost	(7)	-
Net interest	(454)	(298)
Actuarial gain/(loss)	32,693	(3,975)
Business combination	-	(11,869)
Net defined benefit asset/(liability) at 31 July	**2,716**	**(27,246)**

Asset and Liability Reconciliation

	2022 £'000	2021 £'000
Changes in the present value of defined benefit		
Defined benefit obligations at 1 August	92,371	29,075
Current service cost	3,682	4,147
Past service cost	7	-
Interest cost on defined benefit obligation	1,484	1,079
Contributions by Scheme participants	389	527
Experience gains and losses on defined benefit obligations	235	(1,101)
Changes in financial assumptions	(34,620)	9,561
Estimated benefits paid	(3,183)	(162)
Changes in demographic assumptions	(297)	1,192
Business combination	-	48,053
Defined benefit obligations at 31 July	**60,068**	**92,371**

	2022 £'000	2021 £'000
Changes in fair value of plan assets		
Fair value of plan assets at 1 August	65,125	20,237
Interest on plan assets	1,030	781
Return on plan assets	(1,989)	5,677
Employer contributions	1,412	1,881
Contributions by Scheme participants	389	527
Estimated benefits paid	(3,183)	(162)
Business combination	-	36,184
Fair value of plan assets at 31 July	**62,784**	**65,125**

23 Related party transactions

Due to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

K Vetriko, before he resigned his governorship, and C Kitching are members of the board of the Swindon and Wiltshire Local Enterprise Partnership. During the previous year, the College was awarded £602k grant funds towards the capital costs of the IoT. These monies were received during the year. The College also procured a stand at an exhibition for £120 during the year. This account was paid during the year.

K Newman and R Wheeler are senior employees at Nationwide Building Society. Nationwide Building Society contributed a total of £50,093 for community and IoT wellbeing and support, which was received during the year. The Building Society also sponsored a learner to attend a course at the College during the year. The arm's length fee of £2,000 was paid to the College.

J Arnott is a director of UK Shared Business Services Ltd. During the year UK Shared Services Ltd sponsored a learner to attend a course at the College. The arm's length fee of £760 was paid to the College.

The total expenses paid to or on behalf of the Governors during the year was £41 for 1 governor (2021: £110). This represents expenses incurred in participating at Governor meetings.

24 Post Balance Sheet Events

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions with immediate effect and this prompted the Department for Education to introduce some new rules for colleges which will take effect during 2023.

The College considers this announcement to be a non-adjusting post balance sheet event and is evaluating the implications of the announcement and the potential new rules but do not consider that they will have an impact on these financial statements.

25 Amounts disbursed as agent - Learner support funds

	2022 £'000	2021 £'000
Funds brought forward	1,269	589
Business combination	-	489
Bursary grants received in year	454	558
	1,723	1,636
Disbursed to students	(262)	(341)
Administration costs	(22)	(26)
Balance unspent as at 31 July, included in creditors	**1,439**	**1,269**

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

26 Financial Instruments

	2022 £'000	2021 £'000
Financial assets that are measured at fair value through profit and loss:		
Cash at bank and in hand	16,941	11,795
Financial assets that are measured at amortised cost		
Trade receivables	545	334
Financial liabilities that are measured at fair value through profit and loss:		
Bank Loans	1,164	1,453
Obligations under finance lease	65	109
Financial liabilities that are measured at amortised cost		
Trade payables	444	188
Other taxation and social security	341	(12)
Accruals and deferred income	7,786	4,461
Other creditors	936	210
Amounts owed to government bodies	174	174