

# Yeovil College

## REPORT AND FINANCIAL STATEMENTS

for the year ended

31 July 2022

# Yeovil College

## REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2022

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# Yeovil College

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for the year ended 31 July 2022

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### REFERENCE AND ADMINISTRATIVE DETAILS

#### Key Management Personnel

Key management personnel are defined as members of the Principalship and were represented by the following in 2021/22:

Mark Bolton	Principal; Accounting Officer
Joanna Frith-Williams	Vice Principal Quality of Education - Until 31 <sup>st</sup> March 2022
Donna Short	Vice Principal Quality of Education - From 1 <sup>st</sup> June 2022
Emma Cox	Vice Principal Finance & Resources

Joanna Frith-Williams resigned with immediate effect on 31<sup>st</sup> March 2022. Donna Short was appointed as VP C&Q on 1<sup>st</sup> June 2022.

#### Board of Governors

A full list of governors is given on pages 17, 18, 19 of these financial statements.

#### Professional Advisers

##### Financial Statements Auditors and Reporting Accountants:

Mazars LLP  
90 Victoria Street  
Bristol  
BS1 6DP

##### Internal Auditors:

RSM Risk Assurance Services LLP  
St Philips Point  
Temple Row  
Birmingham  
West Midlands  
B2 5AF

##### Bankers:

Mid Corporates ECG Commercial Banking  
Lloyds Banking Group  
Phase 2  
Ground Floor  
Canons House  
Bristol  
BS1 5LL

##### Solicitors:

Clarke Wilmott  
Blackbrook Gate  
Taunton  
TA1 2PG

# Yeovil College

## STRATEGIC REPORT

for the year ended 31 July 2022

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### OBJECTIVES AND STRATEGY

The members present their report and the audited financial statements for the year ended 31 July 2022. Yeovil College is a Further Education College. The principal place of operations is Mudford Rd, Yeovil, BA21 4DR.

#### Legal Status

The Corporation was established under the Further & Higher Education Act 1992 for the purpose of conducting Yeovil College. The college is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

#### Mission and Values

The college's mission and values for the year 2021/22 as approved by its members are:

##### Mission

To maximise potential for all.

##### Values

- Creating a learner-centred environment
- Having uncompromising ambition for our learners
- Valuing and respecting everyone, offering opportunities to all
- Collaborating with our local community and employers
- Being flexible, innovative and forward thinking

#### Strategic Plan

In July 2019 the college adopted a strategic plan for the period 1 August 2019 to 31 July 2022. This strategic plan includes property and financial targets. The Corporation monitors the performance of the college against these targets. The strategic plan is reviewed and updated each year. The college's continuing strategic objectives are:

1. To inspire, be ambitious, respect and support all our learners, through outstanding teaching, learning and assessment to maximise their potential.
2. Provide a high quality, innovative, relevant and responsive curriculum to meet the needs of local, regional and national priorities.
3. Maintain stable long term financial position and manage the college effectively, efficiently and innovatively in order to proactively invest and further improve facilities and learning experience for all.
4. Work effectively and innovatively with our partners to maximise all opportunities in order to provide an outstanding experience for our learners, employers and the local community.
5. Value, develop and recognise staff with highly effective performance management to provide the best quality experience for our learners and employers.

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### College Achievements

- Maintained status as the highest achieving college in Somerset.
- Achieved A level pass rate of over 99% for the seventh consecutive year.
- Achievement rates in the top 10% of colleges in the UK
- Growth in 16-18 year old learner numbers
- Delivered the £2.4m refurbishment of the Ashdown building utilising T-level capital funds, creating modern and digitally equipped science laboratories and health care and early years simulation suites.
- Delivery of Skills Development Fund, Higher Technical Qualification, Skills Bootcamps and Skills Accelerator through our Institute of Technology partnership
- Awarded Skills Development Fund investment through West of England Institute of Technology partnership and Heart of the South West LEP, providing £0.7m capital funds and £0.3m revenue funding
- Awarded funding for T-level Wave 4 capital (£2.5m)
- Progression with the Department for Education on redevelopment of the campus
- Successful Ofsted pilot inspection in May 2022

### Resources

The college has various resources that it can deploy in pursuit of its strategic objectives. All activities are consolidated within the main campus on Mudford Road.

The college employs 283 people (expressed as full time equivalents), of whom 140.3 are teaching staff.

The college enrolled approximately 4,375 students. The college's student population includes 1,492 16-to-18 year old students, 1,212 apprentices, 218 higher education students and 1,312 adult learners.

The College has £7.2m of net assets, reducing to £3.1m when including £4.1m pension liability. Tangible resources include the main college site.

The college has an improving reputation locally and nationally. Maintaining and improving a quality brand is essential for the college's success in attracting students and building external relationships.

### Stakeholders

In line with other colleges and universities, Yeovil College has many stakeholders. These include:

- Learners
- Education sector funding bodies at both FE and HE
- FE Commissioner
- Staff
- Local employers
- Local Authorities
- Local Enterprise Partnerships (LEPs) in Somerset and Devon
- West of England IoT and its partners
- The Local Community
- Local schools
- Other FE institutions
- Professional bodies
- Trades Union
- Sector Skills Councils
- Chambers of Commerce
- Association of Colleges

The college recognises the importance of these relationships and engages in regular communication with them through meetings, events, networking, communications and forums both on and offline. The college chairs a Place Leadership Group, bringing together many of the local stakeholders regularly.

## **FINANCIAL PERFORMANCE**

### **Results**

Following two years of disruption caused by lockdowns and sickness due to the global Covid-19 pandemic, the college returned to its more traditional onsite delivery. Despite the increased costs of the site being fully open the financial results were still strong. The college generated an operating surplus in the year of £318,000 before the FRS102 pension charge. This is £251,000 better than budgeted; the larger improvements have been driven by additional project funding to support development of new curriculum. Pay was overspent against the original budget for the year, whilst recruitment difficulties provided savings, two one off payments were made to staff as the opportunity of affordability arose; the holiday pay accrual increased by £146k in year due to timings. Non-pay overspent on exams and legal fees.

The position after the FRS102 pension charge of £2,118,000 gives a deficit of £1,800,000. Total Comprehensive Income for the year, after the actuarial gain in respect of the Local Government Pension Scheme (LGPS) is £19,445,000 (2020/21 loss £206,000), the actuary gain does not provide a cash benefit to the college, it is primarily a result of a change in the discount rate applied to future pensions; the discount rate is impacted by the current economic conditions, the actuary base their assumptions on market conditions as at 31<sup>st</sup> July 2022.

The college has cash balances of £4,467,000 and reserves of £3,118,000 including £4,140,000 of LGPS liabilities. The reserves position has improved since last year by £19,445,000, the pension liability continues to have an unpredictable impact on the college's reserves in the year reducing the liability by 82% in year from £23,263,000 to £4,140,000 (2020/21 3% increase).

The college wishes to accumulate reserves and cash balances to maintain working capital and generate funds for reinvestment in capital, particularly in the context of limitations relating the use of capital grant.

Tangible fixed asset additions during the year amounted to £634,000, this included T-level Specialist Equipment for Health, Science and Early Years T-levels. The IoT linked projects provided grant funding which was used to purchase Electronic Vehicle tooling, a sports analysis suite, sports equipment, metal 3D printers and an electrocardiograph. Further investment was made to provide vending machines on site.

There were no investments in intangible assets.

### **Financial Health Grade**

The 2021/22 ESFA financial health grade is "Good" (2020/21 "Good").

### **Sources of income**

The college has significant reliance on the education sector funding bodies for its principal funding source, from recurrent and specific grants. In 2021/22 the FE funding bodies provided 77% of the College's total income (2020/21 77%).

## **FUTURE PROSPECTS**

This year has seen the college transition back to business as usual following the significant disruption of the Covid pandemic in the two previous years. The two years have caused some societal changes with a noticeable change in the behaviour young people and an increase in both staff wellbeing and student support requirements. The lose of the school structure and time together for learners during the pandemic is believed to have been a significant factor to learners who have grown older physically but the mental and behavioural growth usually developed in the teenage years hasn't been seen. This has led the college to bring security guards onsite at lunch time to provide additional support to staff where learners may become confrontational.

A home working/hybrid working approach continues particularly for some business support departments; value is seen by offering this mixed approach. A low level of remote delivery teaching is continuing.

Recruitment of suitably qualified staff continues to have a significant impact on an already exhausted workforce. Whilst the government has introduced various initiatives and potential funding opportunities with which the college is engaging, these are to be carried out by that same exhausted work force in an unrealistic timeframe, driven by the Treasury financial year, rather than in an optimal and achievable timeframe.

Yeovil College is embracing these challenges and continues to seize the financial opportunities as they arise. The recent awards of Digital Bootcamps and Skills Development Funds and others in collaboration with our West of England Institute of Technology partners and the Heart of the South-West LEP, will give rise to a potential £0.5m of revenue funding in the year and £0.7m of capital investment.

In January 2021, the Department for Education (DfE) announced the methodology for colleges to bid for Capital Transformation Funding for improvements to buildings in very poor condition. The college's estate is a mix of category A, B, C and D with 59% in category C; "operational but with major repair or replacement needed soon". Yeovil College is one of sixteen nationally, selected by the DfE for delivery of new/refurbished buildings by the DfE – with no need to apply independently for the fund. These works will include the replacement of the Kingston, Bridge and Sports Hall buildings and a Construction centre which will include both workshop space and classrooms. The value of this intervention is anticipated to exceed £43m, which is a value the college would not be able to consider on its own. The DfE will be the client and due to the scope of the project phased hand over to the college of new builds take place over the next four years.

Further to the DfE intervention, the college continues to review its space needs requirement as the growing demographic adds pressure to those curriculum areas unlikely to directly benefit from the works, which are solely condition based.

A wider focus includes consideration for investment in buildings and resources across the planning period are:

- Implement whole site building strategy for short and long term investment.
- Replacing the Learning Resource Centre
- Short term maintenance of Kingston building.
- Further enhancing the Sports facilities on main site with an artificial pitch.

The College has continued to address its financial position whilst further improving the learner outcomes in line with its strategic plan.

The focus on the quality of teaching, learning and assessment and therefore improving the learner outcomes has had a significant impact. The reputational gains enjoyed through achievements in outcomes for learners strategic relationship building and curriculum development underpin improving student numbers and finances.

### **Curriculum Developments**

Our curriculum for full-time, part-time and work based learners is highly relevant to our local and regional economic needs, supporting our business community to grow and prosper, providing them with a future workforce which is well prepared for their current and future roles. Recent financial incentives received in relation to Skills Development Fund and Digital bootcamps are allowing us to move forward on the development of new curriculum areas including: digital dental, healthcare, engineering, manufacturing, fuel cell alternatives and digital.

### **Informed by Stakeholders**

We involve our business community and stakeholders in the design and delivery of our curriculum, incrementally building understanding both internally and externally, to ensure we collectively understand one another's needs and constraints. We foster impactful relationships with our staff and students throughout the college with our business community.

### **Delivering Outcomes which Align to Industry Need**

Students engage with a curriculum which is shaped to deliver more exposure to our business community and where the content builds the behaviours, skills and knowledge which have a positive impact in the workplace.

We continue to prepare for the delivery of T Levels in our curriculum planning and development so that we continue to be at the forefront of Post-16 education policy implementation for the benefit of our college and wider community. We continued to roll out our Industrial Placements where learners participate in 300 hours or more of Industrial Placement.

Our Higher Education curriculum is of particular focus to ensure it is aligned clearly to career opportunities and be delivered in a way which makes it easier for individuals who have work and other commitments to engage and be successful.

### **Delivering Learning Opportunities which Align to Learner Choice**

Our curriculum is accessible, it is delivered at a time, place and utilises technology which ensures that it is highly accessible for our diverse learning community. We continue to focus on the development of Teaching, Learning and Assessment Pedagogies which align to our learners' preferences of accessing a blended learning experience that allows learners to learn at a time and in a place of their choice.

We will continue to innovate in our curriculum design and student services provision to ensure that we are pro-actively delivering positive interventions to improve the wellbeing of our learners.

### **Valued**

Yeovil College collects employer feedback in a number of ways, this includes through an annual survey, through tripartite reviews and through the government's "Find apprenticeship training if you're an employer" service. Feedback collected through tripartite reviews has shown the business community continue to value our skills contribution Yeovil College makes with an average review score of 8.5 (up 0.2% on 2020-21) out of 10 in 2021-



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for the year ended 31 July 2022

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22 for the service they have received from the Apprenticeship team. The College has maintained its 'Excellent' rating across 180 reviews on the government find an Apprenticeship provider website.

The College continues to innovate in the delivery of our curriculum, exploring and securing new opportunities to deliver the skills requirements of the local, regional and national requirements. We will strive to achieve better economies of scale to achieve better value for money with our teaching resources. Teaching resources and environments will be fit for purpose, facilitating an inspiring experience for our learners, reflecting our collective ambition.

### Financial Plan

The college governors approved a two-year financial plan in July 2022 which sets objectives for the period to 2023:

- Achieve an EBITDA surplus of at least 5% per year
- Maintain a closing annual cash balance of £1.75m
- Maintain a financial health score health grade above 180 points (Good) on the ESFA scale
- To maintain a current ratio above 1
- Borrowings not to exceed 30% of income
- To have the financial capacity to achieve capital development ambitions

The table below shows the performance against the plan

		2021/22
EBITDA	>5%	7.1%
Cash Self Sufficiency	Closing balance > £1.75m	£4.5m
Financial Health Score	180 points or better "Good"	210
Current Ratio	Maintain a ratio > 1	1.33
Borrowings	Not to exceed 30% of income	18%
Capital	Capital investment – to achieve ambitions	£634k

### 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. The college has a separate treasury management policy statement contained within its Financial Regulations. Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

As the college grows the future target is to ensure a closing cash balance in excess of £1,750,000 at the end of the year, this level reduces cash risk to an acceptable level throughout the year but also allows for capital developments to be supported.

### **Cash flows and liquidity**

Cash flow from operating activities was £606,000 (2020/21 £2,495,000 inflow) with a closing cash balance of £4,467,000 (2020/21 £4,613,000). A, net of grant, investment of £224,000 was made in fixed assets during the year.

### **Reserves**

The college does not have a formal reserves policy but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the college's core business. It is the Corporation's intention to increase reserves over the life of its Strategic Plan, by the generation of annual operating surpluses of between 1% and 3%. When considering the Income and Expenditure Account Reserve, the Corporation separates the pension charge as this is dependent on market forces and therefore impossible to plan.

As at the balance sheet date, the Income and Expenditure account reserve stands at £2,456,000 (2020/21 £2,052,000) before the pension provision. The Income and Expenditure account reserve with the pension liability of £4,140,000 (2020/21 £23,263,000) is negative £1,687,000 (2020/21 negative £21,210,000).

The revaluation reserve relates to Land and Buildings revaluations made periodically since Incorporation in 1994. The balance held at the balance sheet date comprises £4.6m for land and £0.2m for buildings (2021/22 total £4.9m).

The college holds no restricted reserves.

### **Going Concern**

At the meeting of the joint Finance and Audit Committee on the 24 November 2022 and the Corporation Meeting of the 8th December 2022, members restated the reasons why there is confidence to support a going concern status; namely

- The college continues to improve results for its learners and its reputation in the area, including the increased number of local 16 year olds in September 2022.
- £4,467,000 cash balance at the end of the year.
- Bank loan at £3.2m with 5.57% debt servicing costs (£0.5m) which are maintainable with a fixed interest rate.
- Education & Skills Funding Agency Financial Health score at 210 (TBC), "Good" in 2021/22
- Robust and reliable financial plan and financial forecast showing base assumptions and demonstrating sufficient funds.
- KPI reporting and risk management activities provide confidence in the management of the plan.
- Cash day for the year are forecast to be maintained above 35 days, the ESFA minimum requirement is 14 days

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.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk Management**

The college has well 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. Based on the strategic plan, the Senior Management Team and College Management Team regularly review the risks to which the college is exposed. They identify systems, procedures and detailed actions to mitigate any potential impact on the college.

A risk register is maintained at the college level which is reviewed at each Audit Committee and termly by the College Management Team. 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. Not all the factors are within the college's control.

#### **1. Global economics**

Impact of recent and on-going global economical pressures, influenced by Government debt during the pandemic, Brexit and the war in Ukraine provide a uncertainty for the college and the local community. The instability of the government with frequent changes in ministers is also unsettling. The community uncertainties manifests at many levels and impacts the college in a number of ways:

- Increased levels of caution for business who may not invest in apprentices, training or development and therefore impact the colleges income potential.
- Staff pressure for payraises to align with the increased cost of living
- Individuals hesitant to personally invest in training and career changes
- Staff recruitment as staff unwilling to move employers

Other factors besides those listed below may also adversely affect the college.

#### **2. Government Funding**

The college has considerable reliance on continued government funding through the further education sector funding bodies. In 2021/22, 77% of the college's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

There is no indication of increases in funding to compensate for external economic pressures, this will put some pressures on college finances.

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for the year ended 31 July 2022

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The college is aware of several issues which may impact on future funding, including the devolution of the adult education budget. The college, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution agenda and to ensure an agile approach is possible to respond to government policy changes:

- Continued rollout of T Levels programmes and learner engagement
- The impact of devolution, particular for the Adult Education Budget
- Increased local competition from school sixth forms

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the college is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies and employers.
- Ensuring the college is focused on those priority sectors which will continue to benefit from public funding.
- Regular dialogue with funding bodies.

### **3. Disruption caused by campus redevelopment**

The campus redevelopment will be transformational for the learners of the future who will benefit from the facilities however in the interim the build works will cause disruption to the college site. The disruption will need to be managed carefully with the contractors to ensure disruption is minimalised to learners using the site daily and also how the college markets itself during this period where learners may not benefit from the new facilities but will be looking around prior to making an application and then when studying.

### **4. Cyber security failure**

The college has a heavy reliance on IT and the internet to support learning and for our business support functions. In the last 12 months we have successfully stopped over 9,000 intrusion attacks and almost 300 virus/malware direct attacks on our network. There has been a considerable shift in attack patterns but our security measures have continued to perform to our requirements. We have had assurances from our insurers that we are well ahead of other colleges, however there is a need to keep a constant and improving level of security to safeguard data and ensure continued operation of the college as it is.

### **5. Classification of Further Education Colleges**

The Office for National Statistics is undertaking a review of the how Further Education providers are classified, this could result in the formal recognition being revised from private to public status. It is unclear how this will affect colleges' ability to raise funds directly in the future if the change does take place and what would happen to the outstanding loan that the college has.

### **6. Maintain Adequate Funding of Pension Liabilities**

The financial statements report the share of the Local Government Pension Scheme deficit on the college's balance sheet in line with the requirements of FRS 102. This risk is mitigated by an agreed deficit recovery plan with the Somerset County Council pension fund.

**7. Failure to maintain the financial viability of the College**

The college’s current financial health grade is classified as “Good” as described above. The number of 16–18-year-olds enrolling has improved over the last few years, through a combination of demographic and market share growth, this is the colleges largest funding line and is fundamental to the financial health. The demographic growth is set to continue so maintaining market share will see financial growth. Difficulties have been experienced with the recruitment of replacement and new staff; this has created cost savings however it has added pressure to the remaining staff to maintain the same level of service to our learners.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in year budget monitoring
- Strong marketing and visibility of the college in the local community
- Robust financial controls
- Exploring ongoing procurement efficiencies

**KEY PERFORMANCE INDICATORS**

<b>Key performance Indicator</b>	<b>Actual for 2020/21</b>	<b>Actual for 2021/22</b>
Student number targets 16-18	<b>1425</b>	<b>1492</b>
Student number targets 19+	<b>964</b>	<b>985</b>
Student number targets Higher Education	<b>240</b>	<b>218</b>
Student number targets apprenticeships starts	<b>378</b>	<b>453</b>
Student achievement/progression 16-18	<b>79.8%</b>	<b>75.9%</b>
Student achievement/progression 19+	<b>76.3%</b>	<b>72.3%</b>
Operating surplus/EBITDA as % of income	<b>12.3%</b>	<b>7%</b>
Staff satisfaction (via survey)	<b>91%</b> (positive response to “Overall, I am happy working here”)	<b>89%</b> (positive response to “Overall, I am happy working here”)
Ofsted rating	Good	Good
Financial Health (ESFA)	Good	Good

## **Student Achievements**

In October 2016, the college underwent an Ofsted inspection in which the college was awarded a grade of 'Good' across all areas.

*'The proportion of learners who successfully complete and achieve their qualifications has risen over the previous three years and is now high. Learners on vocational courses and apprentices aged 16-24 are particularly successful.'* (Ofsted 2016)

Students achieve exceptionally well at the college. In 2020/21 the achievement rates of learners were 88.4% for long qualifications and 77.8% including English and maths. A Level students secured a better than 99% pass rate for the seventh year running. Students across the range of provision achieved well and have positive destinations.

## **OTHER INFORMATION**

### **Public Benefit**

Yeovil College is an exempt charity under 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 16, 17 and 18. 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 the following identifiable public benefits through the advancement of education:

- High-quality teaching, learning and assessment
- Widening participation and tackling social exclusion
- Successful progression for learners
- Strong student support systems
- Strong links with employers, industry and commerce
- Close links with Local Enterprise Partnerships (LEPs)

The college continues to improve its impact in the community and is increasingly adopting a positive and influential position in the wider community as an anchor institution delivering significant civic value. It takes its role in providing public benefit seriously, a guiding principle that we should support our business community to grow and prosper, so that the wider community also prospers with improved opportunities underpins all of our work. We believe we provide exceptional value for the public purse.

### **Equality**

The college is committed to ensuring equality of opportunity for all who learn and work here. We respect and positively value differences in race, gender, sexual orientation, disability, religion or belief, marital status, pregnancy and age. We strive vigorously to remove conditions which place people at a disadvantage and we will

actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The college's Equality Policy is published on the college's website.

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

The college is a 'Disability Confident' employer and has committed to the principles and objectives of the Disability Confident standard. The college considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the college continues. The college's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The college has implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

### **Disability Statement**

The college seeks to achieve the objectives as set down in the Equality Act 2010.

- As part of the ongoing redevelopment of the buildings, the college is updating lifts, ramps and other accessibility equipment, making reasonable adjustment to ensure that in the near future the majority of facilities will allow access to all.
- The Accessibility Statement and Equality Duty are available for all to view on our website. 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 skilled professionals to support students with learning difficulties and/or disabilities. There are a number of Learning Support Practitioners who provide specialist support to enable students to achieve their full potential. There is a continuing programme of staff development to ensure the high quality provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Achievements and destinations are recorded and published in the standard college format.
- Student Support services are described in the Accessibility Statement, Student Guide, Tutor Handbook and are also available on Moodle.
- Counselling and welfare services are described in the college Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

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### 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 relevant period	Trade union number of employees	FTE employee number
0-500	3	2.3

Percentage of time	Number of employees
0%	0
1-50%	3
51-99%	0
100%	0

Total cost of facility time	£4,726
Total pay bill	£9,794,000
Percentage of total bill spent on facility time	0.04%

Time spent on paid trade union activities as a percentage of total paid facility time	50%
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### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, requires organisations, in the absence of agreement to the contrary, 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 per cent. During the accounting period 1 August 2021 to 31 July 2022, the college paid 94.4 per cent of its invoices within 30 days. The college incurred no interest charges in respect of late payment for this period.

### 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.

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## STRATEGIC REPORT

for the year ended 31 July 2022

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### **DISCLOSURE OF INFORMATION TO THE 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 8th December 2022 and signed on its behalf by



Peter Thomas  
Chair

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2022

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### 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 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statement.

The college endeavours to conduct its business:

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

In the opinion of the governors, the college complies with (and in many respects exceeds) all the provisions of the Code and it has complied throughout the year ended 31 July 2022. This opinion is based on an internal review of compliance with the relevant aspects of the Code reported to the board on 13 October 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, the Corporation takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted from 01 August 2015.

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

### The Corporation

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

Name	First term began	Current term began	Current term ends	Term of Office (Current / Overall)	Notes
Peter Thomas <i>(Independent)</i>	10/12/08	01/01/15	31/12/22	4yrs / 14yrs	Audit Vice Chair Oct 09 – April 14. T&L Gov from May 2014. VC Corporation 23/07/15 -31/12/18 01/01/19 – 31/12/19 C, Q & A Chair 25/09/17 - 01/9/22 Chair – extended 2 more years from 31/12/22

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2022

Jo Howarth <i>(Independent)</i>	13/06/2019	13/06/19	12/06/23	4 yrs	03/12/20 - HE Lead Sep 22 – Chair CQA
Scott Roy <i>(Independent)</i>	21/12/05	21/12/16	21/7/23	4yrs / 18yrs	Rem. Chair 01/08/10 YCBF Chair 01/10/13 for 2 yrs Reappointed YCBF Chair 01/10/15-20/12/16 31/12/20 – extended until Easter 2021 25/3/21 extended until end July 22 24/3/22 extended until end July 23 Infrastructure Comm
Paul Clowes <i>(Independent)</i>	10/10/19	10/10/19	09/10/23	4 yrs	Prev. full Governor 16/05/00-15/05/08. Then co-opted Resources 16/05/08-15/05/09 And Co-opted Audit 01/08/16 Audit Chair 17/03/21 Infrastructure Comm
Jack Gibbs (HE Student)	02/12/21	02/12/21	02/12/23	2 yrs	CQA
Becky Bevins <i>(Independent)</i>	5/12/20	5/12/20	5/12/24	4 yrs	5/12/20 Audit and CQA 7/10/21 Moved from Audit to Finance
Jo Roundell Greene <i>(Independent)</i>	5/12/20	5/12/20	5/12/24	4 yrs	5/12/21 - 3/21 Finance 5/12/21 S&G 3/21 Audit 7/7/22 Chair of S&G
Sam Best <i>(Independent)</i>	17/07/13	25/3/21	01/03/25	4yrs / 12yrs	Safeguarding and EDI Lead Vice Chair 22 7/10/21 S&G
James Scott <i>(Independent)</i>	20/5/21	20/5/21	20/05/25	4yrs	20/5/21 F&R & Infrastructure 24/3/22 Chair of Infrastructure Committee
Rebecca Marshall <i>(Independent)</i>	25/01/18	25/01/18	8/7/25	4yrs	8/7/21 extended by 4 years E&D Lead

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2022

Emma Read <i>(Independent)</i>	08/07/21	08/07/21	08/07/25	4 yrs	8/7/21 Audit July 2022 Careers Lead
Lee Harwood <i>(Independent)</i>	21/06/18	07/10/21	07/10/25	4 yrs / 7 yrs	Vice-chair F&R 21/06/18 Chair F&R 02/12/20 Oct 21 extended to 2025 Infrastructure Comm
Jagtar Ner <i>(Independent)</i>	27/02/14	27/02/18	07/10/25	4yrs / 9yrs	25/3/21 on a sabbatical, returned September 21 Vice Chair of Audit Oct 21 extended term by a further 4 years
Julian Bisset <i>(Staff – Teaching)</i>	01/01/22	01/01/21	31/12/25	4 yrs	No election, only applicant
Gayle Pogson <i>(Staff – Business)</i>	26/01/17	01/01/22	31/12/25	4yrs 8 yrs	Appointed by nomination 25/1/21 extended to July 21 25/3/21 extended until the end December 21 Re-elected from Jan 22 Infrastructure Comm
David Woan <i>(Independent)</i>	24/3/22	24/3/22	24/3/26	4 yrs	CQA
Mark Bolton <i>(Principal)</i>	01/10/19	01/10/19	Ex-officio	Ex-officio	
<b>No longer on the Board but kept for the accounting record, August 2021 – July 2022</b>					
Paul Morey <i>(Staff – Teaching)</i>	01/09/17	01/09/17	25/03/21 extended to the end December 2021.	4yrs	Appointed by nomination <b>Resigned Dec 21</b>
Ellimae Dunn <i>(FE Student)</i>	3/12/20	3/12/20	07/22	2 yrs	Infrastructure and CQA <b>Resigned July 22</b>
Kevin Athersuch <i>(Independent)</i>	20/5/21	20/5/21	20/05/25	4yrs	20/5/21 Audit & Infrastructure <b>Resigned June 22</b>

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2022

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### Co-opted committee members

Name	First term began*	Current term began*	Current term ends*	Current Term of Office	Notes
Peter Green (Curriculum, Quality and Assurance)	13/06/2019	13/06/2019	12/06/2023	4 years	Appointed CQA Vice Chair 17 September 2020

Gill Keogh was appointed Clerk effective 10 September 2020.

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 approximately six times in each 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. For 2021/22 these Committees were Audit, Finance & Remuneration, Curriculum, Quality & Assurance, Infrastructure and Search & Governance.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the college website at [www.yeovil.ac.uk](http://www.yeovil.ac.uk) or from the Clerk to the Corporation at:

Yeovil College  
Mudford Road  
Yeovil  
Somerset  
BA21 4DR

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 of the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, seven days 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.

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2022

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

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search & Governance Committee comprising up to six members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. Governors should not serve more than two terms (or a maximum of eight years), however upon consideration of an individual's contribution to the work of the college and an assessment against the skills audit, some governors have served longer than the recommended 8 years.

### **Finance and Remuneration Committee**

Throughout the year ending 31 July 2022, the college's Finance and Remuneration Committee comprised up to six members of the Corporation. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Committee's responsibilities are to monitor and advise the Corporation regarding budget proposals, Financial Statements, financial targets and control of expenditure for revenue and capital budgets, financial performance and general matters of finance. The Committee also makes recommendations to the Board on the remuneration and benefits of the Accounting Officer, Senior Post Holders and the Clerk.

Details of remuneration for the Accounting Officer and other key management personnel for year ended 31 July 2022 are set out in note 7 to the financial statements.

### **Curriculum, Quality and Assurance Committee**

Throughout the year ending 31 July 2022, the college's Curriculum, Quality and Assurance Committee comprised up to six members of the Corporation. In 2020/22, Peter Green served as a Co-opted Member on this Committee.

The Committee's responsibilities are to monitor and advise the Corporation on matters relating to teaching, learning and assessment at the college including quality of provision, application numbers, outcomes data and curriculum offer.

### **Audit Committee**

The Audit Committee comprises up to six members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets four times a year and provides a forum for reporting by the college's internal, regularity 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.

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2022

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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, Regularity and Financial Statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

### **Internal Control**

#### ***Scope of Responsibility***

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

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

#### ***The purpose of the system of internal control***

The system of internal control is 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 Yeovil College for the year ended 31 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 31 July 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

#### ***The risk and control framework***

The system of internal control is based on a framework of regular management information, 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.

# Yeovil College

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2022

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Yeovil College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice in a normal year. The work of the internal audit service is normally 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. Due to the impact of Covid-19 this year, where visits to College premises were not permitted and key management resources were necessarily utilised in dealing with the College's response to the Covid-19 position, the agreed programme of internal audit work was reduced considerably with the agreement of the Audit Committee and the Vice Principal Finance and Resources. Accordingly, the work that was conducted did not cover many of the areas that would typically be addressed in a year and would form the required scope of an annual report of the Head of Internal Audit (HIA) to the governing body which reports on internal audit activity in the College. The reports that were undertaken were presented to the Audit Committee.

### **Review of effectiveness**

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

- the work of the internal auditors
- the work of the Senior Management Team 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 his review of the effectiveness of the system of internal control by the audit committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The 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 and reinforced by risk awareness training. 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 an adequate and effective framework for governance, risk management and control and has fulfilled its statutory responsibility for the *"the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets"*.

.....  
Peter Thomas  
Chair

.....  
Mark Bolton  
Accounting Officer



# Yeovil College

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 July 2022

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

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

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



Mark Bolton  
Accounting Officer  
Date 15/12/22

### **Statement of the chair of governors**

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



Peter Thomas  
Chair

Date 08/12/2022

# Yeovil College

## STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION for the year ended 31 July 2022

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The members of the corporation 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 is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. 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 (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

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

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

The corporation is responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, 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 and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on 8<sup>th</sup> December 2022 and signed on its behalf by:



**Peter Thomas**  
Chair of governors

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# Yeovil College

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF YEOVIL COLLEGE for the year ended 31 July 2022

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### Opinion

We have audited the financial statements of Yeovil College (the 'College') for the year ended 31 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 31 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.

# Yeovil College

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF YEOVIL COLLEGE for the year ended 31 July 2022

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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 page 25, 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.

# Yeovil College

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF YEOVIL COLLEGE for the year ended 31 July 2022

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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, 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 tax legislation, pension legislation.

In addition, we evaluated the Members of the Corporation 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 Members of the Corporation 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.

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# Yeovil College

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF YEOVIL COLLEGE for the year ended 31 July 2022

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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](http://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.

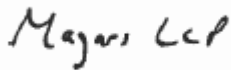
#### Matters on which we are required to report by exception

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; or
- the provider's expenditure on access and participation activities, as disclosed in 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 Article 22 of 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

Chartered Accountants and Statutory Auditor

90 Victoria Street

Bristol BS1 6DP

Date: 16 December 2022

# Yeovil College

## REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORPORATION OF YEOVIL COLLEGE AND SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE DEPARTMENT OF EDUCATION ("THE DEPARTMENT") for the year ended 31 July 2022

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In accordance with the terms of our engagement letter dated 18<sup>th</sup> May 2022 and further to the requirements and conditions of funding in the 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 Yeovil College during the period 1 August 2021 to 31 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 ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

### **Respective responsibilities of Yeovil College and the reporting accountant**

The corporation of Yeovil College 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 that 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 1 August 2021 to 31 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 ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation'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.
-

## Yeovil College

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORPORATION OF YEOVIL COLLEGE AND SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE DEPARTMENT OF EDUCATION ("THE DEPARTMENT") for the year ended 31 July 2022

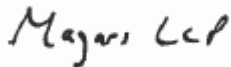
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- Tested a sample of individual learner records.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register 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 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament, that the financial transactions do not conform to the authorities that govern them.

Signed:



Mazars LLP  
90 Victoria Street  
Bristol BS1 6DP  
Date: 16 December 2022



# Yeovil College

## STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE for the year ended 31 July 2022

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	Notes	2022 £'000	2021 £'000
<b>Income</b>			
Funding body grants	2	14,302	12,862
Tuition fees and education contracts	3	2,507	2,986
Other grants and contracts	4	18	33
Other income	5	1,726	867
Endowment and Investment income	6	-	-
		<hr/>	<hr/>
<b>Total Income</b>		<b>18,553</b>	<b>16,748</b>
		<hr/>	<hr/>
<b>Expenditure</b>			
Staff costs	7	13,020	11,258
Fundamental restructuring costs	7	9	22
Other operating expenses	8	5,332	4,685
Depreciation and amortisation	10 & 11	1,374	1,261
Interest and other finance costs	9	618	559
		<hr/>	<hr/>
<b>Total Expenditure</b>		<b>20,353</b>	<b>17,785</b>
		<hr/>	<hr/>
<b>Deficit before other gains and losses</b>		<b>(1,800)</b>	<b>(1,037)</b>
(Loss)/gain on disposal of assets		-	(24)
		<hr/>	<hr/>
<b>Deficit for the year</b>		<b>(1,800)</b>	<b>(1,061)</b>
		<hr/> <hr/>	<hr/> <hr/>
Actuarial gain/(loss) in respect of pensions scheme	20	21,245	855
		<hr/>	<hr/>
<b>Total Comprehensive Income for the year</b>		<b>19,445</b>	<b>(206)</b>
		<hr/> <hr/>	<hr/> <hr/>

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# Yeovil College

## STATEMENT OF CHANGES IN RESERVES for the year ended 31 July 2022

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	<b>Income and Expenditure Account £'000</b>	<b>Revaluation Reserve £'000</b>	<b>Total £'000</b>
<b>Balance at 1<sup>st</sup> August 2021</b>	<b>(21,211)</b>	<b>4,887</b>	<b>(16,324)</b>
Deficit from the income and expenditure account	(1,800)	-	<b>(1,800)</b>
Other comprehensive income	21,245	-	<b>21,245</b>
Transfers between revaluation and income and expenditure reserves	82	(82)	-
<b>Total comprehensive income for the year</b>	<b>19,527</b>	<b>(82)</b>	<b>19,445</b>
<b>Balance at 31<sup>st</sup> July 2022</b>	<b>(1,684)</b>	<b>4,805</b>	<b>3,121</b>

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The revaluation reserve relates to Land and Buildings revaluations made periodically since Incorporation in 1994. The balance held at the balance sheet date comprises the following:

	<b>Revaluation Reserve £'000</b>
Land	4,641
Buildings (revaluation from 1994, released over 30 years)	164
	<hr/>
	<b>4,805</b>

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# Yeovil College

## BALANCE SHEET

as at 31 July 2022

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	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible fixed assets	10	15,091	15,813
		<u>15,091</u>	<u>15,813</u>
<b>Intangible assets</b>			
Intangible assets	11	29	53
		<u>29</u>	<u>53</u>
<b>Current assets</b>			
Fixed asset held for disposal		-	-
Trade and other receivables	12	701	1,470
Cash and cash equivalents	17	4,467	4,613
		<u>5,168</u>	<u>6,083</u>
<b>Less: Creditors – amounts falling due within one year</b>	13	(4,942)	(6,357)
		<u>226</u>	<u>(274)</u>
<b>Net current assets</b>			
		<u>226</u>	<u>(274)</u>
<b>Total assets less current liabilities</b>		<b>15,346</b>	<b>15,592</b>
Less: Creditors - amounts falling due after more than one year	14	(8,085)	(8,653)
<b>Provisions</b>			
Defined benefit obligations	16	(4,140)	(23,263)
Other provisions		-	-
		<u>3,121</u>	<u>Total Net (16,324)</u>
<b>Assets</b>		<b>3,121</b>	<b>(16,324)</b>
<b>Unrestricted reserves</b>			
Income and expenditure account		(1,684)	(21,211)
Revaluation reserve		4,805	4,887
		<u>3,121</u>	<u>(16,324)</u>
<b>Total unrestricted reserves</b>		<b>3,121</b>	<b>(16,324)</b>

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# Yeovil College

BALANCE SHEET *(continued)*

as at 31 July 2022

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The financial statements on pages 30 to 58 were approved and authorised for issue by the Corporation on 8 December 2022 and were signed on its behalf on that date by:



Peter Thomas  
Chair



Mark Bolton  
Accounting Officer

**Yeovil College**  
**STATEMENT OF CASH FLOWS**  
for the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
<b>Cash inflow from operating activities</b>			
Deficit for the year		(1,800)	(1,061)
<b>Adjustment for non cash items</b>			
Depreciation and amortisation		1,374	1,261
Deferred capital grants released to income		(696)	(620)
Decrease in debtors	12	770	(692)
Increase in creditors due within one year	13	(1,336)	3,448
Decrease in creditors due after one year	14	-	-
Pension Finance cost		367	314
Payments outstanding to acquire fixed assets	18	(75)	(1,161)
Pension costs less contributions payable		1,751	737
<b>Adjustment for investing or financing activities</b>			
Interest receivable		-	-
Interest payable		251	245
Loss on sale of fixed assets		-	24
		<u>606</u>	<u>2,495</u>
<b>Net cash flow from operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		4	-
Grant receipts		406	2,925
Investment income		-	-
Payments made to acquire fixed assets		(634)	(2,322)
		<u>(224)</u>	<u>603</u>
<b>Cash flows from financing activities</b>			
Interest paid	9	(251)	(245)
Repayments of amounts borrowed		(277)	(261)
		<u>(528)</u>	<u>(506)</u>
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>			
		<u>(146)</u>	<u>2,591</u>
Cash and cash equivalents at beginning of the year	17	4,613	2,023
Cash and cash equivalents at end of the year	17	4,467	4,613

# Yeovil College

## STATEMENT OF CASH FLOWS

for the year ended 31 July 2022

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Yeovil College is a Further Education College. The principal place of operations is Mudford Road, Yeovil BA21 4DR.

### 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 ESFA College Accounts Direction 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 previous valuations as deemed cost at transition for certain non-current assets.

#### **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 cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The college currently has £3.2m of loans outstanding with bankers on terms originally negotiated in 2006, the covenants relating to the loan were reset in 2020. The terms of the existing agreement are for another 10 years. The college’s forecasts and financial projects indicate that it will be able to operate within the existing loan facility and proposed new 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 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 depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. 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 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

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 capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met.

#### *Fee Income*

Income and 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 discretionary support funds. 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*

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.

*Somerset County Council Pension Fund (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 actuarial recognised gains and losses.

**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.

**Enhanced Pensions**

The actuarial cost of any enhanced ongoing pension to a former member of staff is paid by the 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 using the enhanced pension spreadsheet provided by the funding bodies.

**Non-current Assets – Tangible fixed assets**

Tangible fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment costs. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

▪ **Land and buildings**

Freehold buildings are depreciated on a straight line basis over their expected useful life up to 30 years. Refurbishment and major adaptations to buildings are depreciated over the period of their expected useful life.

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



# Yeovil College

## NOTES TO THE ACCOUNTS

for the year ended 31 July 2022

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Freehold buildings are depreciated over their expected useful economic life to the college of between 20 and 50 years. The college has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. Any related Government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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 buildings. Land was revalued as at 1 August 2015. A policy of revaluation has not been adopted.

### ▪ **Assets under construction**

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

### ▪ **Subsequent expenditure on existing fixed assets**

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to the income and expenditure account 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 £1,000 per individual item 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 – 5-10 years
- furniture, fixtures and fittings – 5-10 years
- motor vehicles – 5 years
- computer equipment – 3-5 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.

### **Intangible Assets**

Under section 18 of FRS 102, software purchases and development costs are recognised as intangible assets. These are capitalised and amortised as for fixed assets above, but disclosed separately under intangibles.

### **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.

Leasing agreements which transfer to the college substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

### **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 College 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 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, so that it can only recover less than 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets 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**

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

- Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. 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.

Yeovil College  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 July 2022

**Other key sources of estimation uncertainty**

▪ **Tangible fixed assets**

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.

▪ **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. The assumption surrounding pay increase was reduced in the valuation, resulting in a change of the carrying amount of the pension liability at 31 July 2022.

**2 Funding body grants**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Recurrent Grants</b>		
Education & Skills Funding Agency	8,759	8,002
Office for students	122	122
<b>Specific Grants</b>		
Education & Skills Funding Agency	4,445	3,823
Releases of government capital grants	693	605
Teacher Pension Scheme Contribution Grant	280	301
Office for Students grant	3	9
	<hr/>	<hr/>
<b>Total</b>	<b>14,302</b>	<b>12,862</b>
	<hr/> <hr/>	<hr/> <hr/>

**3 Tuition fees and education contracts**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Adult education fees	580	855
Apprenticeship fees and contracts	137	251
Fees for FE loan supported courses	322	253
Fees for HE loan supported courses	929	957
International students fees	-	(1)
Total tuition fees	<hr/> 1,968	<hr/> 2,315
Education contracts	<hr/> 539	<hr/> 671
<b>Total</b>	<hr/> <b>2,507</b> <hr/>	<hr/> <b>2,986</b> <hr/>

Yeovil College  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 July 2022

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**4 Other grants and contracts**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Other grant funding	18	7
Coronavirus Job Retention Scheme Grant	-	26
<b>Total</b>	<b>18</b>	<b>33</b>

Other grant funding includes the contribution from The Edge Foundation towards improvements for the clinical skills suite.

**5 Other Income**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Lettings	2	-
Examinations	30	30
Release of non-government capital grants	-	-
Insurance Claims	-	7
Children's Centre	434	421
Other income	1,260	409
<b>Total</b>	<b>1,726</b>	<b>867</b>

**6 Endowment and Investment Income**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Bank interest receivable	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

# Yeovil College

## NOTES TO THE ACCOUNTS

for the year ended 31 July 2022

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### 7 Staff Costs

The average number of persons (including key management personnel) employed by the college during the year, described as average headcount was:

	2022 Number	2021 Number
Teaching	162	162
Non teaching staff	206	187
	<u>368</u>	<u>349</u>

#### Staff costs for the above persons

	2022 £'000	2021 £'000
Wages and salaries	8,740	7,782
Social Security costs	803	680
Other pension costs (includes FRS102 (28) £1,751,000 (2021 £1,309,000))	3,362	2,781
	<u>12,905</u>	<u>11,243</u>
<b>Payroll sub total</b>		
Contracted out staffing services	115	15
	<u>13,020</u>	<u>11,258</u>
Fundamental restructuring costs - contractual	0	0
- non contractual	9	22
	<u>13,029</u>	<u>11,280</u>

The severance pay costs were approved by the Principal who was delegated responsibility by the Corporation.

The Corporation does not have any salary sacrifice arrangements in place.

**Yeovil College**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 July 2022

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**7 Staff costs (continued)**

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the Senior Post Holders which comprises the Principal, Vice Principal Quality of Education and Vice Principal Finance & Resources.

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

	<b>2022 Number</b>	<b>2021 Number</b>
The number of key management personnel including the Accounting Officer was:	3	3

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

	<b>Key Management Personnel</b>		<b>Other staff</b>	
	<b>2022 Number</b>	<b>2021 Number</b>	<b>2022 Number</b>	<b>2021 Number</b>
£60,001 - £70,000	1	-	-	-
£70,001 - £80,000	1	2	-	-
£120,000 - £130,000	1	1	-	-
	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>

There was a change in key management personnel during the year with J Frith-Williams leaving in March, being replaced by D Short in June. D Short was employed by the college in a senior role prior to taking up the key management role, her full year salary including both posts was £69K for the year.

Key management personnel compensation is made up as follows:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Salaries – gross of salary sacrifice and waived emoluments	313	277
Employers National Insurance	40	34
	<u>353</u>	<u>311</u>
Pension contributions	54	59
<b>Total emoluments</b>	<u><u>407</u></u>	<u><u>370</u></u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

# Yeovil College

## NOTES TO THE ACCOUNTS

for the year ended 31 July 2022

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### 7 Staff costs (continued)

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	<b>2022</b> <b>£'000</b> <b>Total</b>	<b>2021</b> <b>Mark</b> <b>Bolton</b>	<b>2021</b> <b>£'000</b>
Salaries	<b>122</b>	120	120
Benefits in kind	-	-	-
	<hr/> <b>122</b> <hr/>	<hr/> 120 <hr/>	<hr/> 120 <hr/>
Pension contributions	<b>29</b>	28	28
	<hr/> <b>29</b> <hr/>	<hr/> 28 <hr/>	<hr/> 28 <hr/>
Accounting officers basic salary : median pay of all other Corporation employees (FTE basis)	4.5		4.4
Accounting officers total emoluments* : median pay of all other Corporation employees (FTE basis)	5.0		4.8

The Corporation's Finance and Remuneration Committee meets annually to review the pay of the accounting officer. The Accounting Officer's annual and mid-year appraisals are considered, alongside the SPH benchmarking information provided by the AoC Senior Pay Survey. Any pay review of the accounting officer is only considered in tandem with that of the whole corporation. Recommendations are then reviewed by the corporation.

There are no other members of staff who receive emoluments greater than £60,000 in the year on a full-time or pro-rata basis.

Employees working less than a material amount of hours are not included in the calculations.



**Yeovil College**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 July 2022

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**8 Other operating expenses**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Teaching costs	997	782
Non teaching costs	3,479	2,720
Premises costs	856	1,183
	<u>5,332</u>	<u>4,685</u>
<b>Total</b>	<b><u>5,332</u></b>	<b><u>4,685</u></b>

**Other operating expenses include:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration:		
Financial statements audit	28	28
Internal audit	26	10
Other services provided by the financial statements auditors	-	-
Other services provided by the internal auditors	-	-
Hire of plant and machinery under operating leases	-	-
	<u>54</u>	<u>38</u>

**9 Interest and other finance costs**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans, overdrafts and other loans:	251	245
	<u>251</u>	<u>245</u>
On finance leases	-	-
Net interest on defined pension liability (note 19)	367	314
	<u>367</u>	<u>314</u>
<b>Total</b>	<b><u>618</u></b>	<b><u>559</u></b>

Yeovil College  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 July 2022

**10 Tangible Fixed Assets**

	<b>Land &amp; Buildings Freehold</b>	<b>Equipment</b>	<b>Assets in the course of construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>				
At 1 August 2021	25,645	5,006	-	30,651
Additions	29	602	-	631
Reclassification of assets	-	-	-	-
Disposals	(4)	(41)	-	(45)
<b>At 31 July 2022</b>	<b>25,670</b>	<b>5,567</b>	<b>-</b>	<b>31,237</b>
<b>Depreciation</b>				
At 1 August 2021	12,047	2,790	-	14,837
Charge for the year	824	526	-	1,350
Impairment charges	-	-	-	-
Elimination in respect of disposals	-	(41)	-	(41)
<b>At 31 July 2022</b>	<b>12,871</b>	<b>3,275</b>	<b>-</b>	<b>16,146</b>
<b>Net Book Value</b>				
<b>At 31 July 2022</b>	<b>12,799</b>	<b>2,292</b>	<b>-</b>	<b>15,091</b>
Net Book Value At 31 July 2021	13,597	2,216	-	15,813

Land and buildings were valued as at 1<sup>st</sup> August 2014 at depreciated replacement cost by GVA Grimley, a firm of independent chartered surveyors.

A £17k intangible asset was incorrectly stated as equipment at July 2021, the July 2021 value has been adjusted to reflect this, there was £3k of depreciation associated to this asset that has also been adjusted.

Yeovil College  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 July 2022

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**11 Intangible Fixed Assets**

	<b>Software £'000</b>
<b>Cost or valuation</b>	
At 1 August 2021	292
Additions	-
Disposals	-
<b>At 31 July 2022</b>	<b>292</b>
<b>Amortisation</b>	
At 1 August 2021	239
Charge for the year	24
Elimination in respect of disposals	-
<b>At 31 July 2022</b>	<b>263</b>
<b>Net book value at 31 July 2022</b>	<b>29</b>
Net book value at 31 July 2021	53

**12 Trade and other receivables**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Amounts falling due within one year:		
Trade receivables	59	41
Prepayments and accrued income	243	1,196
Amounts owed by ESFA	399	233
<b>Total</b>	<b>701</b>	<b>1,470</b>

Yeovil College  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 July 2022

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**13 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	325	325
Payments received in advance	375	1,025
Trade payables	500	1,373
Other taxation and social security	558	371
Accruals and deferred income	1,735	2,163
Amounts owed to the ESFA	379	175
Capital grants	693	693
Holiday pay accrual	377	231
Other creditors	-	-
	<hr/>	<hr/>
<b>Total</b>	<b>4,942</b>	<b>6,356</b>
	<hr/> <hr/>	<hr/> <hr/>

**14 Creditors: amounts falling due after one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	2,867	3,144
Long term Creditor	-	-
Deferred capital grants	5,218	5,509
	<hr/>	<hr/>
<b>Total</b>	<b>8,085</b>	<b>8,653</b>
	<hr/> <hr/>	<hr/> <hr/>

**15 Maturity of debt**

**Bank loans and overdrafts**

Bank loans and overdrafts are repayable as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less	343	325
Between one and two years	362	296
Between two and five years	1,102	991
In five years or more	1,385	1,857
	<hr/>	<hr/>
<b>Total</b>	<b>3,192</b>	<b>3,469</b>
	<hr/> <hr/>	<hr/> <hr/>

The bank loan is secured on the freehold land and buildings of the college (£3,192,000 outstanding). The loan had been fixed at a rate of 5.57% and is repayable by instalments falling due between 1 June 2010 and 3 March 2031.

**Yeovil College**  
**NOTES TO THE ACCOUNTS**  
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**16 Provisions**

	<b>Defined Benefit Obligations £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
At 1 August 2021	23,267	-	23,267
Expenditure in the period	(664)	-	(664)
Transferred from income and expenditure	(18,463)	-	(18,463)
<b>At 31 July 2022</b>	<b>4,140</b>	<b>-</b>	<b>4,140</b>

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in Note 21.

**17 Cash and cash equivalents**

	<b>At 31 July 2021 £'000</b>	<b>Cash flows £'000</b>	<b>At 31 July 2022 £'000</b>
Cash and cash equivalents	4,614	(146)	4,468
Overdrafts	-	-	-
<b>Total</b>	<b>4,614</b>	<b>(146)</b>	<b>4,468</b>

**18 Capital commitments**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Commitments contracted for at 31 July	75	1,161

**Yeovil College**  
**NOTES TO THE ACCOUNTS**  
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**19 Lease Obligations**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Other</b>		
Not later than one year	-	6
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>0</u>	<u>6</u>
	<u>0</u>	<u>6</u>
<b>Total lease payments due</b>	<u><u>0</u></u>	<u><u>6</u></u>

**20 Defined benefit obligations**

The college's employees belong to two principal post-employment benefit plans: the Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council Pension Fund. 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 31 March 2016 and of the LGPS 31 March 2019.

<b>Total pension cost for the year</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Teachers' Pension Scheme: contributions paid	883	858
Local Government Pension Scheme:		
Contributions paid	664	572
FRS 102 (28) charge	<u>1,751</u>	<u>1,309</u>
Charge to the Statement of Comprehensive Income	2,415	1,881
Enhanced pension charge to Statement of Comprehensive Income	<u>-</u>	<u>-</u>
<b>Pension Cost for Year</b>	<b><u>3,298</u></b>	<b><u>2,739</u></b>
Additional pension strain costs included in redundancy	<u>-</u>	<u>-</u>
<b>Total Pension Cost for the Year</b>	<b><u>3,298</u></b>	<b><u>2,739</u></b>

There were outstanding LGPS contributions at the end of the financial year. Contributions amounting to £101,000 (2021: £68,000) were payable to the scheme and are included in creditors.

**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.

**20 Defined benefit obligations (continued)**

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. 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 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs.

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

The pension costs paid to TPS in the year amounted to £883,000 (2021: £858,000).

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Somerset County Council. The total contributions made for the year ended 31 July 2022 were £899,000, of which employer's contributions totalled £664,000 and employees' contributions totalled £235,000. The agreed contribution rates for future years are 16.4% for employers 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 31 March 2016 updated to 31 July 2022 by a qualified independent actuary.

	<b>At 31 July 2022</b>	<b>At 31 July 2021</b>
Rate of increase in salaries	3.80%	3.85%
Future pensions increases	2.80%	2.85%
Discount rate for scheme liabilities	3.40%	1.60%
Inflation assumption (CPI)	2.80%	2.85%
Commutation of pensions to lump sums	50%	50%



Yeovil College  
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20 Defined benefit obligations (*continued*)

Local Government Pension Scheme (*continued*)

CPI assumption

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.

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
<i>Retiring today</i>		
Males	21.4	23.1
Females	23.2	24.6
<i>Retiring in 20 years</i>		
Males	22.6	24.4
Females	24.6	26.1

The college's share of the assets in the plan and the expected rates of return were:

	Long-term rate of return expected at 31 July 2022	Fair Value at 31 July 2022	Long-term rate of return expected at 31 July 2021	Fair Value at 31 July 2021
		£'000		£'000
Equity Instruments	73.0%	20,400	73.0%	20,484
Debt Instruments	13.0%	3,843	16.0%	4,529
Property	9.0%	2,549	7.0%	2,021
Cash	4.0%	1,159	4.0%	1,125
<b>Total market value of assets</b>		<b>27,951</b>		<b>28,159</b>
		<b>(242)</b>		<b>4,147</b>
<b>Actual return on plan assets</b>				

Yeovil College  
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20 Defined benefit obligations (*continued*)

Local Government Pension Scheme (*continued*)

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

	2022 £'000	2021 £'000
Fair value of plan assets	27,951	28,159
Present value of plan liabilities	(32,091)	(51,422)
<b>Net pensions liability (Note 16)</b>	<b>(4,140)</b>	<b>(23,263)</b>

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

	2022 £'000	2021 £'000
<b>Amounts included in staff costs</b>		
Current service cost	(2,393)	(1,861)
Past service cost	4	-
Administrative expenses	(26)	(20)
<b>Total</b>	<b>(2,415)</b>	<b>(1,881)</b>

Amounts included in investment income

	2022 £'000	2021 £'000
Net interest income	(367)	(314)
	<b>(367)</b>	<b>(314)</b>

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	(693)	(3,810)
Experience losses arising on defined benefit obligations	(118)	923
Changes in assumptions underlying the present value of plan liabilities	22,056	(3,878)
<b>Amount recognised in Other Comprehensive Income</b>	<b>21,245</b>	<b>855</b>

Yeovil College  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 July 2022

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**20 Defined benefit obligations (continued)**

**Local Government Pension Scheme (continued)**

**Movement in net defined benefit liability during the year**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Deficit in scheme at 1 August	(23,263)	(22,495)
Movement in year:		
Administrative expenses	(26)	(20)
Current service cost	(2,393)	(1,861)
Employer contributions	664	572
Settlements and curtailments	-	-
Past service cost	-	-
Net interest on the defined liability	(367)	(314)
Actuarial gain/(loss)	21,245	855
	<u>(4,140)</u>	<u>(23,263)</u>

**Asset and Liability Reconciliation**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	51,422	46,205
Current Service cost	2,389	1,777
Interest cost	818	651
Contributions by Scheme participants	236	199
Change in financial assumptions	(18,268)	4,437
Past service cost, including curtailments	4	-
Change in demographic	(3,788)	(559)
Experience gain on defined benefit obligation	118	(923)
Liabilities extinguished on settlements	-	211
Estimated benefits paid net of transfers in	(840)	(576)
	<u>32,091</u>	<u>51,422</u>

Yeovil College  
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**20 Defined benefit obligations (continued)**

**Reconciliation of Assets**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of plan assets at start of period</b>	28,159	23,710
Interest on plan assets	451	337
Return on plan assets less interest	(693)	3,810
Other actuarial gains/losses	-	-
Administration expenses	(26)	(20)
Employer contributions	664	572
Contributions by Scheme participants	236	199
Estimated benefits paid	(840)	(576)
Settlement prices paid	-	127
	<hr/>	<hr/>
<b>Assets at end of period</b>	<b>27,951</b>	<b>28,159</b>
	<hr/> <hr/>	<hr/> <hr/>

**21 Related Party Transactions**

Due to the nature of the college's operations and the composition of the Corporation 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 Corporation 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.

There have been no expenses paid to or on behalf of Governors during the year (2021: no payments). These would represent travel and subsistence expenses and other out of pocket expenses incurred in attending governor meetings and charity events in their official capacity.

No governor has received any remuneration or waived payments from the college during the year (2021: None).

The College makes purchases of building materials for both the provision of teaching and maintenance of the estate from Bradfords Building Supplies, a company which Mr Lee Harwood, a college governor, is a director. Purchases totalling £21,853.25 were made during the year.

The College used the professional services of Rebecca Bevins HR Consultancy Ltd, a company which Mrs Rebecca Bevins, a college governor, is a 60% owner. Services valued at £6,565.20 were used during the year.

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**22 Amounts Disbursed as Agent**

**Learner Support Funds**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Funding body grants – bursary support	310	287
Funding body grants – discretionary learner support	30	46
	<u>340</u>	<u>333</u>
Disbursed to students	(292)	(303)
Administration costs	(14)	(15)
	<u>          </u>	<u>          </u>
Balance unspent as at 31 July, included in creditors	<u>34</u>	<u>15</u>

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

**23 Access and Participation**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Access	42	49
Disability Support	14	8
Evaluation Investment	5	5
Bursary/Hardship	22	34
	<u>          </u>	<u>          </u>
Total Access and Participation costs	<u>83</u>	<u>96</u>