



# OAKLANDS COLLEGE

OAKLANDS COLLEGE

HERTFORDSHIRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

# Oaklands College, Hertfordshire

## Key Management Personnel, Board of Governors and Professional advisers

### Key Management personnel

Key management personnel are defined as members of the College Leadership team and were represented by the following in 2022/23:

Andrew Slade	Principal and CEO, Accounting Officer
Phil Briscoe	Interim Deputy Principal Curriculum, Performance & Student Experience (from 30.01.23)
Claire Dolan	Deputy Principal Strategy, Partnership & Business Development (from 22.08.22)
Barbara Jones	Vice Principal Human Resource & Organisational Development
Damon Lawrenson	Interim Deputy Principal Finance, Resources & College Planning (from 03.01.23)
Paul McCormack	Deputy Principal Finance, Resources & College Planning (until 31.12.22)
Harpreet Nagra	Deputy Principal Curriculum, Performance & Student Experience (until 12.12.22)

### Members of the Corporation

A full list of members of the Corporation is given on pages 13 to 16 of the Financial Statements. Joseph Maggs was appointed as Clerk to the Corporation on 8 November 2021.

### Professional advisers

#### External auditors

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

#### Internal auditors

RSM UK  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP

#### Bankers

Barclays Bank PLC  
22-24 Upper Marlborough Road  
St. Albans  
Hertfordshire  
AL1 3AL

#### Solicitors

SA Law LLP  
Gladstone Place  
36-38 Upper Marlborough Road  
St Albans, Hertfordshire  
AL1 3UU

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## Report of the Corporation

### OBJECTIVES AND STRATEGIES

The governing body present their annual report together with the financial statements and auditor's report for Oaklands College for the year ended 31 July 2023.

#### Legal status

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

#### Vision

By 2027 we will be:

A sustainable educational trailblazer inspiring our learners and our wider community to achieve their potential in a changing world.

This vision will realise our aspirational goals which are to achieve the following by 2026/27.

- An increase in income by 20% to £40m, learner numbers to 10,000+ and sustain good or better financial health
- Increase 16-18 learners to 3,670 and income by £2.7m
- Increase adult learners to 5,000 and income by £2m
- Increase commercial income by £3m
- Increase HE learners to 571 and income by £2m
- Divest up to £1.5m of apprenticeship income and replace with relevant employer provision  
Grow training provision and services to employers by 50%
- Maximise the commercial opportunities of the Oaklands estate Develop strategic partnerships with Hertfordshire County Council, the Local Enterprise Partnership, our District Councils, the University of Hertfordshire and the three Hertfordshire Colleges
- Achieve a carbon neutral estate by 2050, realising a 15% reduction by 2027
- Gain an Ofsted Grade 2 or better
- Complete the current estates capital programme on time
- Be an employer of choice with high levels of staff satisfaction
- Develop our brand identity and impact in the marketplace
- Ensure students' satisfaction and attainment rates are in the top quartile of Colleges
- Ensure students undergo high quality, meaningful experiences in the world of work
- Ensure students have access to high-quality blended learning Achieve a reputation for technological innovation

## **Mission**

“Prepare every learner for work, a rewarding career and life’s opportunities”

- “By treating every student as the individual they are, with care, passion and understanding in a professional, contemporary and community-focused environment they’ll value and enjoy”

The mission and values are re-affirmed by the Corporation annually.

## **Strategic Aims**

The College has five strategic aims:

- Deliver continuous outstanding teaching, learning, and assessment to all learners and employers
- Create mutually beneficial partnerships to deliver the highest quality educational offer to increase economic prosperity.
- Create our estate so that it is recognised as world class in terms of quality, sustainability and the promotion and practice of evolving leading-edge technologies
- Create a caring, accessible, inclusive, and thriving college community, committed to fairness, health, and success
- Deliver good or outstanding long term sustainable financial health, through growth, that enables reinvestment in our students, staff, and estate to support our aspirational goals

Each strategic aim is supported by a set of strategic objectives against which the performance of the College is measured.

## **Values**

As a College we are committed to:

- Excellence and Innovation – Deliver outstanding results, sustainable careers and future leaders
- Collaborative Learning – Develop your knowledge and skills to prepare you for life and work
- Inclusion and Happiness – Celebrate the achievements and successes of all our communities
- Integrity and Accountability – Striving for the best in all we do

## **Our cross cutting themes**

In the daily life and work of Oaklands College there are embedded underlying principles which are encapsulated in four cross-cutting themes that underpin our thinking and practice:

- Our commitment to sustainability and the environment
- Our commitment to the happiness and wellbeing of our College community
- Our commitment to Digital Transformation
- Our commitment to equality, diversity and inclusivity

## Report of the Corporation (continued)

### OBJECTIVES AND STRATEGIES (continued)

#### Financial objectives

The College's financial objectives in 2022/23 were to break even and to generate cash for re-investment and cover the annual capital expenditure budget.

Performance against these objectives is reported to the Corporation during the year and following the year-end when the financial results are available.

#### Resources

The College has various resources that it deploys in pursuit of its strategic objectives.

Tangible resources include the two main College campuses.

#### *Financial*

The College has £83,090k (2021/22: £83,597k) of net assets including £0k (2021/22: £0k) defined benefit pension liability at 31 July 2023.

#### *People*

The College employs 830 people (2021/22: 888), expressed as headcount, of whom 301 (2021/22: 316) are teaching staff.

#### *Student numbers*

In 2022/23 the College delivered activity that has produced £25,538k in funding body main allocation funding (2021/22 £24,036k). The College has approximately 6,200 (2021/22: 5,700) funded and 1,400 (2021/22: 1,000) non-funded students.

#### *Reputation*

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and enhancing external relationships.

#### *Value for money*

The Corporation and College are committed to obtaining value for money. Financial regulations are approved annually by the Corporation, with the purpose of providing control over the totality of the College's resources and providing management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives.

Compliance with the financial regulations is compulsory for all staff connected with the College.

## Report of the Corporation (continued)

### OBJECTIVES AND STRATEGIES (continued)

#### Stakeholders

In line with other Colleges, Oaklands College has many stakeholders. These include:

- Students
- Education sector funding bodies
- Staff
- Local employers
- Local schools
- Hertfordshire County Council
- St Albans City & District
- Welwyn Hatfield Borough Councils
- Other Local authorities
- Skills Advisory Boards with local employers
- Hertfordshire Chamber of Commerce (LSIP)
- Job Centre Plus
- Sports academies
- Hertfordshire Local Enterprise Partnerships (LEPs)
- The local community
- Other FE institutions
- University of Hertfordshire & other HE institutions
- Private training providers
- Charitable organisations
- Trade Unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with them through a variety of meetings, both formal and informal.

#### Public Benefit

Oaklands 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 Corporation, who are trustees of the charity, are disclosed on pages 13 to 16.

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

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

- High quality teaching and learning
- Widening participation and tackling social exclusion
- Strong student support systems
- Excellent links with employers, industry and business to promote progression
- Financial sustainability
- Links with the Hertfordshire Local Enterprise Partnership (LEP)
- Key role as a community asset and in supporting community well-being

## **Report of the Corporation (continued)**

### **DEVELOPMENT AND PERFORMANCE**

#### **Financial results**

The College generated a deficit in the year of £1,592k (2021/22: deficit of £5,068k), with a total comprehensive deficit of £507k (2021/22: Surplus £22,816k).

#### **Cash flows and liquidity**

The College had a net outflow of cash and liquid resources in the year of £4,473k (2021/22: net inflow £4,153k).

#### **Development**

Tangible fixed asset additions during the year amounted to £5,149k (2021/22: £3,948k). This was split between freehold and leasehold improvements of £411k (2021/22: £2,105k), equipment purchased of £1,571k (2021/22: £1,189k) and assets in the course of construction of £3,167k (2021/22: £654k).

#### **Reserves**

The College has accumulated general reserves of £83,090k (2021/22: £83,597k) and cash and short-term investment balances of £27,563k (2021/22: £32,036k).

#### **Sources of income**

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the funding bodies provided 76% (2021/22: 75%) of the College's total income.

#### **Group companies**

The College has one subsidiary company, Oaklands Commercial Ltd. No transactions went through Oaklands Commercial Ltd during the year.

#### **Streamlined Energy and Carbon Reporting**

The College is committed to reducing its carbon emissions. Oaklands College has campuses in Welwyn Garden City and St Albans and a further training provision in Borehamwood. St Albans is the largest site and comprises of residential, education and farm buildings. The campus has many old, inefficient converted agricultural buildings which are inefficient to run and use. The College has commenced a re-development programme to replace the existing old, poor condition buildings (many of which are uninsulated) with new builds which will offer greater space utilisation, be more sustainable and will improve energy efficiency.



## **Report of the Corporation (continued)**

### **DEVELOPMENT AND PERFORMANCE**

#### **FUTURE PROSPECTS**

##### **Future developments**

The College is making significant investments in its facilities. A new residential building was completed in July 2020 providing 81 en-suite bedrooms for residential students. In November 2021, a new teaching building opened which provides 49 new classrooms offering students a modern environment with up-to-date facilities. This will increase student recruitment in the coming years, through the range of courses on offer and the higher standard of delivery. The College is now commencing with Phase 3 of its 4 phase capital investment. This will involve the building of a 3,000 sq metre construction workshop and a 1,000 sq metre sports pavilion.

The College is now developing an extended estates masterplan for the next 10 years to include new facilities at both Welwyn and St Albans campuses.

##### **Curriculum developments**

The College continues to provide a broad range of learning opportunities in all subject sector areas (placing emphasis on ensuring clear pathways of progression for students from pre-entry to higher education). The College has developed tailored programmes for the unemployed, bringing together community services to collaborate effectively and support individuals in a more accessible way. The College has also continued to provide delivery of training in the workplace and in community venues.

In many subject areas, the College has maintained student numbers in its 16-19 vocational provision. The curriculum management team continues to place emphasis in furthering progression at all levels and in enabling students to progress to further and higher education or directly into employment as apprenticeships.

T-Level delivery has started in September 2023, with the provision of qualifications in Education & Early Years, Business & Administration and Engineering & Manufacturing, and further T-Levels will be offered in 2024/25.

The College maintained its commitment to the provision of:

- A range of nationally recognised vocational certificate and diplomas from Entry 3 to Level 3
- A Levels across a range of subjects to complement but not unnecessarily replicate the provision of local schools
- Higher Education Foundation Degrees and Higher National Certificates / Diplomas
- Intermediate, Advanced and Higher Level Apprenticeships in a range of trades and vocations
- An extensive programme for students with learning difficulties and/or disabilities to meet a broad and diverse student need
- Professional body examinations to increase vocational competency for those seeking work and those in employment

## **Report of the Corporation (continued)**

### **FUTURE PROSPECTS (continued)**

#### **Financial plan**

The College Corporation approved a financial plan in July 2023 which sets objectives for the 12 months to July 2024. The College has planned to achieve a health rating of "outstanding". The financial plan is to achieve a break even position and be cash positive for the year.

#### **Treasury policies and objectives**

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate treasury management policy in place.

#### **Reserves Policy**

The College has a reserves policy to maintain a minimum of £4m of cash reserves. Half of which is for operating purposes, which is determined sufficient given the current funding methodology where the majority of the income is known at the start of the year and costs are relatively evenly spread. The other half is to support one-off College needs as determined by the Corporation. At the year end the cash position was £27m, of which £22m is for the development of the campus, leaving £5m of cash reserves.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The College continues to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Based on the strategic objectives, the Senior Management Team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures including specific preventable actions which should mitigate any potential impact on the College. In addition to the annual review, the Senior Management Team also regularly considers any risks which may arise as a result of a new area of work being undertaken by the College or as a result of emerging issues.

The risk management plan is maintained at College level and is reviewed monthly by the Senior Management Team and monitored by the Corporation and its Committees at each meeting throughout the year. The plan 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. Each risk is graded according to the level of risk (high, medium or low) and any movements in levels, removal of risks or addition of new risks are highlighted in the report to the Corporation.

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

#### **1. Government funding**

The College has considerable reliance on continued government funding through the further education sector funding bodies and through the OfS. In 2022/23, 76% (2021/22: 75%) of the College's revenue was 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.

## Report of the Corporation (continued)

### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The College is aware of a number of issues which will or may impact on future funding:

- Devolution of adult skills budget
- The requirements of the funding system for 16 -19 year old students in respect of Maths and English
- Demographics of 16-18 year olds
- Trends in the numbers of students (particularly 16 -19 year olds) seeking to study at College, as opposed to other routes such as remaining at secondary school
- Changes in 16-18 national funding rates
- The move towards T levels and the removal of existing L3 and below qualifications
- The introduction of more flexible lifelong learning opportunities for adults at L3, L4 and L5.

This risk is mitigated in a number of ways:

- By deriving funding through a number of direct and indirect contractual arrangements
- Ensuring the College is rigorous in delivering high quality education and training
- Seeking ways of more efficient delivery of teaching and learning and all support services
- Providing progression opportunities to existing students and maximising the recruitment of new students
- Ensuring that the College is focused on those priority sectors which will continue to benefit from public funding
- Maintaining regular dialogue with local authorities in respect of high needs students
- Developing effective links with employers and representative groups including the Local Enterprise Partnership to ensure the offer matches employer and skills needs
- Regular reviews of current and potential offerings and assets to ensure all potential income streams are maximised. A new Business Development team is actively reviewing these potential income streams.

#### 2. Maintaining adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme surplus / (deficit) onto the College's balance sheet in line with the requirements of FRS 102. At 31 July 2023, this was computed by the Scheme's actuary a surplus of £9,032k, which, in accordance with FRS102, has not been recognised in these financial statements. FRS 102 sets out the basis under which the assets and liabilities of a defined benefit pension scheme must be valued by the Scheme's actuary and as a result the overall outcome can be subject to significant fluctuations between balance sheet dates and over a short period of time. The FRS 102 valuation is a snapshot at 31 July 2023.

The College has no involvement in the management of the Local Government Pension Scheme.

## Report of the Corporation (continued)

### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

#### 3. Failure to maintain the financial viability of the College – income pressures and cost of living challenges

The College's current financial health grade is classed as "Outstanding". The continuing challenge to the College's financial position remains the constraint on further education funding arising from the ongoing pressure on public spending and increasing cost pressures from inflation / increasing fuel and energy costs, whilst maintaining the student experience. This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in year budget monitoring
- Robust financial control
- Exploring ongoing procurement efficiencies

#### 4. Delivering an appropriate estates strategy

The College's current estates strategy was approved by the Corporation in 2021. This strategy was based on operating at two main campuses, St Albans and Welwyn Garden City and a small campus at Borehamwood.

The College has developed a masterplan for the further re-development of the St Albans campus. 13.3 hectares of land was sold to Taylor Wimpey for the residential development of 348 houses. In January 2022, Oaklands received its fifth and final cash instalment. Proceeds from the sale are being used to build new teaching and administration buildings together with new student accommodation. The sale of the land resulted in a profit on sale of £47.4m, recorded in the annual report and financial statements for the year ended 31 July 2018.

Following the disposal of the College's land in Borehamwood to Taylor Wimpey, the development of the site resulted in a 3,218 sq. ft facility, which the College rent, enabling it to maintain an educational provision in the Borehamwood area. The development also included the building of 12 residential flats above the College facility. The profit on disposal of the land was recorded in the annual report and financial statements for the year ended 31 July 2018.

This risk is mitigated in a number of ways:

- Regular Capital Advisory Group meetings held with Governors and College staff
- Frequent Client meetings with appointed Project Management company

#### 5. OFSTED rating

In September 2023, Oaklands College received a "Good" OFSTED rating and will now be able to plan for the offer of new apprenticeships.

In September 2021 the College received an Inadequate grading for its apprenticeship delivery this has meant that the College is no longer registered on the apprenticeship provider and assessment register (APAR) which means that the College cannot offer any new apprenticeships until it is successfully accepted back onto APAR. The College is committed to maintaining and improving its strong curriculum delivery.



## **Report of the Corporation (continued)**

### **PERFORMANCE INDICATORS**

In July 2022, the Corporation agreed the Key Performance Indicators (KPIs) for 2022/23. On a monthly basis, the College's Senior Management Team reviews performance against the KPIs and takes action, where appropriate, to ensure that targets are met. Performance against the KPIs is monitored by the Corporation at each meeting throughout the year and formally reviewed annually to ensure adequate progress has been made. KPIs for the following year are also confirmed on an annual basis in the light of the previous year's performance.

A robust system of monitoring KPIs is therefore embedded within the College's management framework.

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the Gov.UK website which looks at measures such as satisfaction surveys. The College is required to complete the annual financial returns for the Education and Skills Funding Agency. ("ESFA"). The College is assessed by the ESFA as having an "Outstanding" financial health grading.

#### **Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, 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%. The College incurred no interest charges in respect of late payment for the year 1 August 2022 to 31 July 2023.

### **EQUALITY AND DIVERSITY**

The College is committed to achieving equality and diversity in an inclusive and supportive environment. There is zero tolerance to any form of behaviour which contravenes the policy.

The College's Equality and Diversity objectives are published on the College's website.

The College is committed to the promotion and implementation of equality and diversity in all of its activities as a provider of services, an employer and as a member of the community. The student experience is at the heart of all College policies and procedures and the College places great emphasis on access to education aiming to remove barriers in order to create a culture of inclusiveness.

The College welcomes diversity and recognises, values, celebrates and respects the many different contributions and needs of our students, staff and the communities we serve. We both celebrate and value the diversity brought to our workforce by individuals and believe that the College will benefit from engaging staff from a variety of backgrounds, thus allowing it to meet the needs of a diverse student population.

The College treats all students and employees with respect and dignity and seeks to provide a positive learning and working environment free from direct or indirect discrimination, harassment or victimisation.

**Report of the Corporation (continued)**

**EQUALITY AND DIVERSITY (continued)**

The College has committed to the "Mindful Employer" initiative to assist the mental health wellbeing of staff. All new staff receive Equality and Diversity training as part of their induction and refresher training is provided, as appropriate.

The College seeks to continuously challenge its values and practices to ensure that equality and diversity issues do not start and end with simply a policy statement.

**Trade union facility time**

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

Number of employees who were relevant union officials during the relevant period	FTE employee number
6	4

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

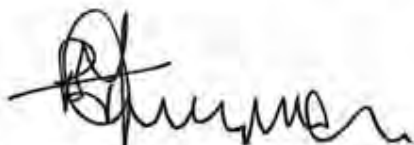
Total cost of facility time	£41.7k
Percentage of total bill spent on facility time	0.16%

Time spent on paid trade union activities as a percentage of total paid facility time	0.0%
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**DISCLOSURE OF INFORMATION TO AUDITORS**

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

Approved by order of the members of the Corporation on 11<sup>th</sup> December 2023 and signed on its behalf by:



Peter Thompson  
Chair

## Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the year from 1<sup>st</sup> August 2022 to 31<sup>st</sup> July 2023 and up to the date of approval of the Annual Report and Financial Statements.

The College endeavours to conduct its business:

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

In the opinion of the members of the Corporation, the College complies with all the provisions of The Code and it has complied throughout the year ended 31 July 2022. This opinion is based on the external board review that was reported to the Board on 2 October 2023. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 and updated in May 2019.

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

### The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as follows:

Name	Date of appointment	Term of office from re/ appointment	Date of resignation/ expiry of term of office	Status of appointment	Committees served	Attendance during the year
Ms J Fawcett	11.10.18 (reappointed 12.10.20)	4 years	10.10.24	External	People	3 of 3
					Curriculum & Quality - Chair	6 of 6
					Corporation	4 of 5
Mr P Fulton	09.12.19 (reappointed 06.12.21)	2 years	06.12.23	External (Vice Chair)	People	3 of 3
					Finance & Resource – chair	6 of 6
					Corporation	4 of 5

Ms J Haq	03.06.20	4 years	Resigned 02.01.23	Support Staff	Corporation	0 of 2
Mr N Myerson	13.02.17 (reappointed 11.02.19 and 12.12.22)	2 years	12.02.25	External	Search, Governance and Remuneration - Chair	4 of 4
					Finance & Resource	5 of 6
					Audit Committee	1 of 1
					Corporation	4 of 5
Mr J O'Sullivan	15.05.20 (reappointed 28.03.22)	2 years	27.03.24	External	People – Chair	3 of 3
					Corporation	4 of 5
Mr R Payne	14.11.16 (reappointed 12.10.20)	4 years	13.11.24	External	Audit	4 of 4
					Corporation	5 of 5
Mr A Slade	01.09.21	N/A	N/A	Principal	Search and Governance	3 of 3
					Finance and Resource	5 of 6
					Curriculum and Quality	6 of 6
					People	2 of 3
					Corporation	5 of 5
Mr P Thompson	12.02.18 (reappointed 12.07.21 and 03.07.23)	2 years	11.07.25	External (Chair)	Finance and Resource Committee	6 of 6
					Search, Governance and Remuneration Committee	4 of 4
					Corporation	5 of 5
T Jones	20.01.22	1 and a half years	10 July 2023	Student	Corporation	1 of 5



V Winch	20.01.22	1 and a half years	10 July 2023	Student	Corporation	0 of 6
Mr M Merlo	27.09.21	2 years	26.09.23	External	Finance and Resources Committee	4 of 6
					Corporation	5 of 5
Mr K Ibeh	27.09.21	2 years	26.09.23	External	People Committee	2 of 3
					Search, Governance and Remuneration Committee	4 of 4
					Corporation	3 of 5
Ms K Henderson	27.09.21	2 years	26.09.23	External	Curriculum and Quality Committee	3 of 4
					Audit Committee	1 of 1
					Corporation	4 of 5
Mr S Counce	27.09.21	2 years	26.09.23	External	Audit Committee	4 of 4
					Corporation	4 of 5
Dr M Watson	14.06.21 (reappointed 27.03.23)	2 years	14.06.25	External	Curriculum and Quality Committee	5 of 6
					Corporation	5 of 5
Luke Parker	11.07.22	2 years	10.07.24	External	Audit	4 of 4
					Corporation	5 of 5
Jonny Doyle	12.12.22	2 years	11.12.24	Staff	Curriculum and Quality Committee	1 of 1
					Corporation	3 of 4
Garod Barker	27.03.23	2 years	26.03.25	Staff	Corporation	2 of 2
Richard Whitehead	01.01.23	2 years	31.12.24	External	Corporation	2 of 3

Jamie Stevenson	12.12.22	2 years	11.12.24	External	Curriculum and Quality Committee	4 of 4
					Corporation	3 of 4
Dragna Ramsden	01.03.23	2 years	28.02.25	External	Curriculum and Quality Committee	3 of 3
					Corporation	2 of 3

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

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 ordinarily plans to meet at least once each term, plus holds an annual strategy day and governors' conference.

The Corporation has also established the following five sub-committees to support it in conducting its business: People Committee, Curriculum & Quality Committee, Finance & Resources Committee, Audit Committee and Search Governance & Remuneration Committee.

Each committee has its own terms of reference which are reviewed annually and approved by the Corporation. Formal agendas, papers and reports are supplied to members in a timely manner, prior to Corporation and committee meetings. Minutes of Corporation meetings, except those deemed to be confidential by the Corporation, are available (9 months after the meeting) on the College's website at [www.oaklands.ac.uk](http://www.oaklands.ac.uk) or from the Clerk to the Corporation at:

Oaklands College  
St Albans Campus  
Hatfield Road  
St Albans  
AL4 0JA

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

All members of the Corporation 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 Corporation for ensuring that applicable procedures and regulations are complied with. The appointment and termination, evaluation and remuneration of the Clerk are matters for the Corporation as a whole.

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

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

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

There is a clear division of responsibility in that the roles of the Chair and the Accounting Officer are separate. This is supported by a College Scheme of Delegation which was reviewed and approved in July 2023.

### **Corporation Performance**

The Corporation received the findings of its external board review in October 2023 (the review itself having been conducted in the latter half of the 22/23 academic year). The review was conducted by Elton D'Souza, engaged via the AOC's external board review service. A summary of the outcome of the review will be made available on the College's website. The Corporation has developed an action plan to address the recommendations arising from the report.

The Corporation recognises that corporate governance best practice is constantly evolving and it is vital that its members are supported in their development in order to perform their role effectively. Corporation members receive local training and briefings on specific issues as required throughout the year and attend external conferences and training sessions (such as those provided by the Association of Colleges) to support them in their role. The Clerk to the Corporation is also being supported by the College to undertake qualifications with the Chartered Governance Institute.

### **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 & Remuneration Committee comprising the Chair of the Corporation, the Principal & CEO and two other Corporation members, 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 initially appointed for a term of office of two years. Subsequent appointments are ordinarily for additional terms of two years but may be for up to four years, subject to re-election and to statutory provisions relating to removal. Any term beyond eight years shall be subject to particularly rigorous annual review and shall take into account the need for progressive refreshing of the Corporation.

### **Remuneration**

The Search, Governance and Remuneration Committee is also responsible for making recommendations to the Corporation on the remuneration and benefits of the Accounting Officer, the Clerk and any other senior post-holders. (Note: No senior post holder is present for discussions regarding their own remuneration).

The College has adopted AoC's Senior Staff Remuneration Code, whilst complying with the OfS registration framework. Additional senior staff pay disclosures can be found on pages 42-45.

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

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

### Audit Committee

The Audit Committee comprises at least three Corporation members, excluding the Chair of the Corporation and the Principal. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

The Audit Committee met four times in the year to 31 July 2023. Attendance records are shown above.

### Internal control

#### *Scope of responsibility*

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

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

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. A system of internal control has been in place in Oaklands College for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements.



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

### *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 year ended 31 July 2023 and up to the date of approval of the annual report and financial statements. This process is annually reviewed by the Corporation.

### *The risk and control framework*

The system of internal financial 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 Corporation
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

Oaklands College has an internal audit service which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At a minimum, annually, the Audit Committee provides the Corporation with a report on internal audit activity in the College. The report includes an opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### *Review of effectiveness*

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

- the work of the internal auditors
- the work of senior managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors and regularity auditors in their management letter 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 a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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, 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 sub-committees review the risks related to their remit at each meeting and recommend any changes for consideration by the Corporation. The Audit Committee receives the overarching risk register to maintain oversight of the process as a whole.

Through this process, the risk register evolves and is maintained as a 'live' document throughout the year. An annual review and process of identifying new and emerging risks takes place at the end of each year, in readiness for the start of the next academic year.

### *The risk and control framework*

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

### Going concern

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

Approved by order of the members of the Corporation on 11th December 2023 and signed on its behalf by:



**Peter Thompson**  
Chair



**Andrew Slade**  
Accounting Officer

# Oaklands College, Hertfordshire

## Corporation's statement of regularity, propriety and compliance

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

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

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



Andrew Slade  
Accounting Officer  
11th December 2023

## 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 Thompson  
Chair  
11th December 2023

# Oaklands College, Hertfordshire

## Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

The corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking 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; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

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



## Oaklands College, Hertfordshire

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 11th December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter Thompson', written in a cursive style.

Peter Thompson  
Chair of Governors

# Oaklands College, Hertfordshire

## Independent auditor's report to the Members of the Corporation of Oaklands College

### Opinion

We have audited the financial statements of Oaklands College (the 'College') for the year ended 31 July 2023 which comprise the statement of comprehensive income, the statement of changes in reserves and balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- In all material respects, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- In all material respects, funds provided by the OfS, the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- In all material respects, the requirements of the OfS's accounts direction have been met.

### 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 members of the Corporation are

## Oaklands College, Hertfordshire

### **Independent auditor's report to the Members of the Corporation of Oaklands College (continued)**

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.

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

We have nothing to report in this regard.

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

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

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

We have nothing to report in respect of the following matter in relation to which the Office for Students requires us to report to you, if in our opinion:

- the College's grant and fee income, as disclosed in note 2 to these financial statements has been materially misstated.

### **Responsibilities of the members of the Corporation**

As explained more fully in the statement of responsibilities of members of the Corporation, the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of 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 members of the Corporation are 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 members of the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

## Oaklands College, Hertfordshire

### Independent auditor's report to the Members of the Corporation of Oaklands College (continued)

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

# Oaklands College, Hertfordshire

## Independent auditor's report to the Members of the Corporation of Oaklands College (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors.

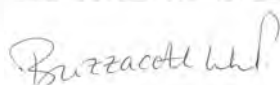
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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.

### Use of our report

This report is made solely to the members of the Corporation, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the members of 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 members of the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 20 December 2023



# Oaklands College, Hertfordshire

## Reporting accountant's assurance report on regularity

**To: The corporation of Oaklands College and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA)**

In accordance with the terms of our engagement letter dated 23 May 2019 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 Oaklands College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

### Respective responsibilities of Oaklands College and the reporting accountant

The corporation of Oaklands 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 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

# Oaklands College, Hertfordshire

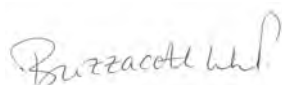
## Reporting accountant's assurance report on regularity (continued)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### 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 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 20 December 2023

# Oaklands College, Hertfordshire

## Statement of Comprehensive Income

	Note	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>INCOME</b>			
Funding body grants	2	26,573	24,981
Tuition fees and education contracts	3	7,002	6,143
Other grants and contracts	4	20	74
Other income	5	1,975	2,144
Investment income	6	998	144
<b>Total income</b>		<b>36,568</b>	<b>33,486</b>
<b>EXPENDITURE</b>			
Staff costs	7	26,368	25,971
Other operating expenses	8	8,634	8,527
Depreciation	11	2,615	2,539
Impairment	11	-	660
Interest and other finance costs	9	81	457
<b>Total expenditure</b>		<b>37,698</b>	<b>38,154</b>
<b>Deficit before other gains and losses</b>		<b>(1,130)</b>	<b>(4,668)</b>
Exceptional items	12	(262)	-
Impairment in investment asset	12	(200)	(400)
<b>Deficit before tax</b>		<b>(1,592)</b>	<b>(5,068)</b>
Taxation	10	-	-
<b>Deficit for the year</b>		<b>(1,592)</b>	<b>(5,068)</b>
Actuarial gain in respect of pension schemes	21	1,085	27,884
<b>Total Comprehensive (Deficit) / Surplus for the year</b>		<b>(507)</b>	<b>22,816</b>

Excluding movements on the defined benefit pension liability, and other non-recurring items, the "operational" deficit for the year was £658k (2021 - £725k deficit), as reconciled below.

	2023 £'000	2022 £'000
<b>Total Comprehensive deficit) / surplus / for the year</b>	<b>(507)</b>	<b>22,816</b>
Less: LGPS actuarial (gain) / loss	(391)	(27,593)
Add: LGPS service cost adjustment	557	2,959
Less: LGPS interest (income) /cost adjustment	(166)	410
Less: Enhanced Pension Provision actuarial (gain)	(694)	(291)
Add: Enhanced Pension Provision interest cost	81	47
Add: Loss on disposal of investments	-	400
Add: Impairment on investments	462	660
Less: Release of discounting on trade receivables	-	(133)
<b>Operational deficit for the year</b>	<b>(658)</b>	<b>(725)</b>



# Oaklands College, Hertfordshire

## Statement of Changes in Reserves for the year ended 31 July 2023


	Income and expenditure account	Revaluation Reserve	Total Unrestricted Reserves
	£'000	£'000	£'000
<b>Group and College</b>			
<b>Balance at 1 August 2021</b>	52,313	8,468	60,781
Deficit from the income and expenditure account	(5,068)	-	(5,068)
Other comprehensive income	27,884	-	27,884
Transfers between revaluation and income and expenditure reserves	50	(50)	-
<b>Total comprehensive expense for the year</b>	22,866	(50)	22,816
<b>Balance at 31 July 2022</b>	75,179	8,418	83,597
Deficit from the income and expenditure account	(1,592)	-	(1,592)
Other comprehensive income	1,085	-	1,085
Transfers between revaluation and income and expenditure reserves	50	(50)	-
<b>Total comprehensive expense for the year</b>	(457)	(50)	(507)
<b>Balance at 31 July 2023</b>	74,722	8,368	83,090

# Oaklands College, Hertfordshire

## Balance Sheets as at 31 July 2023

	Note	2023 £'000	2022 £'000
<b>Non current assets</b>			
Tangible Fixed assets	11	69,676	67,142
Investments	12	-	200
		<u>69,676</u>	<u>67,342</u>
<b>Current assets</b>			
Stocks		115	127
Trade and other receivables	13	2,434	1,581
Cash and cash equivalents	17	27,563	32,036
		<u>30,112</u>	<u>33,744</u>
<b>Creditors – amounts falling due within one year</b>	14	(6,444)	(5,493)
<b>Net current assets</b>		<u>23,668</u>	<u>28,251</u>
<b>Total assets less current liabilities</b>		<b>93,344</b>	<b>95,593</b>
Creditors – amounts falling due after more than one year	15	(8,336)	(9,527)
<b>Provisions</b>			
Defined benefit surplus/(obligations)	16	-	-
Other provisions	16	(1,918)	(2,469)
<b>Total net assets</b>		<u>83,090</u>	<u>83,597</u>
<b>Unrestricted Reserves</b>			
Income and expenditure account		74,722	75,179
Revaluation reserve		8,368	8,418
<b>Total unrestricted reserves</b>		<u>83,090</u>	<u>83,597</u>

The financial statements on pages 30 to 55 were approved and authorised for issue by the Corporation on 11th December 2023 and were signed on its behalf on that date by:



Peter Thompson  
Chair



Andrew Slade  
Accounting Officer

# Oaklands College, Hertfordshire

## Statement of Cash Flows

		Year ended 31 July 2023	Year ended 31 July 2022
	Note	£'000	£'000
<b>Cash flow from operating activities</b>			
Deficit for the year		(1,592)	(5,068)
<b>Adjustment for non-cash items</b>			
Depreciation		2,615	2,539
Impairment		-	660
Joint Venture provisional write off		200	400
Decrease / (Increase) in stocks		12	(1)
(Increase) in debtors		(853)	(651)
Increase / (decrease) in creditors due within one year		951	(1,130)
Decrease in creditors due after one year		(1,191)	(239)
Increase / (decrease) in provisions		143	(459)
Pensions costs less contributions payable		557	2,959
Pension finance (income) / costs		(166)	410
<b>Adjustment for investing or financing activities</b>			
Investment income		(832)	(144)
<b>Net cash flow used in operating activities</b>		<u>(156)</u>	<u>(724)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	8,814
Investment income		832	11
Payments made to acquire fixed assets		(5,149)	(3,948)
<b>Net cash flow (used in)/provided by investing activities</b>		<u>(4,317)</u>	<u>4,877</u>
<b>Increase in cash and cash equivalents in the year</b>		<u>(4,473)</u>	<u>4,153</u>
Cash and cash equivalents at beginning of the year	17	32,036	27,883
Cash and cash equivalents at end of the year	17	27,563	32,036

# Oaklands College, Hertfordshire

## Notes to the Financial Statements

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

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

#### **Basis of preparation**

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2021 to 2022* 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.

#### **Basis of consolidation**

The consolidated financial statements include the College and its wholly owned subsidiary, Oaklands Commercial Limited. The company was dormant during the year. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

#### **Going concern**

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

Given the level of reserves of £83m, working capital of £23.7m and future plans, members of the Corporation deem going concern basis to be adequate in the preparation of its Financial Statements.

#### **Recognition of income**

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 or over 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.

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

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

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

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.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned on a receivable basis.

The College acts as an agent in the collection and payment of 16-18 bursary grants. 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.

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.

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 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

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

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

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 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 actual 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 Statement of Comprehensive 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 less accumulated depreciation and accumulated impairment losses.

#### ***Land and buildings***

Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation on the basis of depreciated replacement cost or, where appropriate, open market value for existing use. Buildings constructed or improvements made since incorporation are included in the balance sheet at cost.

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. Leasehold improvements are depreciated over the period of the lease. 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.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued on incorporation in 1992 but not to adopt a policy of revaluations of these properties in the future.

#### ***Assets under construction***

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



# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

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

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

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

#### *Equipment*

Equipment costing less than £1,000 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:

- Plant and machinery 5 years
- Vehicles 7 years
- computer equipment 3-4 years
- Other equipment 4 years
- furniture, fixtures and fittings 7 years

#### *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. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

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.

#### *Investments*

##### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

##### *Investments in joint ventures*

The College accounts for a joint venture Together Training Ltd, at cost less impairment. At the end of each reporting period investments in joint ventures are assessed for objective impairment. If an investment is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated future cash flows. The impairment loss is recognised in profit or loss.

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

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

#### Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

#### 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 assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

#### Financial liabilities and equity

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

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

#### 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



# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

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

#### Taxation (continued)

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 around 5% 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.

The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

#### Provisions and contingent liabilities

Provisions are recognised when the Group 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 Group 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 Group. 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:

- Determining whether leases entered into by the Group 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.

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

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

#### Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

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, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## 2 Funding body grants

	Year ended 31 July	
	2023	2022
	£'000	£'000
<b>Recurrent grants</b>		
Education and Skills Funding Agency – adult	3,386	2,370
Education and Skills Funding Agency – 16-18	22,152	21,666
Office for Students	87	103
<b>Specific grants</b>		
Education and Skills Funding Agency	49	51
Releases of government capital grants	253	262
Teachers Pension Scheme contribution grant	646	529
<b>Total</b>	<b>26,573</b>	<b>24,981</b>

Grant and Fee income received for Higher Education courses at Level 4 and above was as follows:

	Year ended 31 July	
	2023	2022
	£'000	£'000
Grant income from Office for Students (per note 2 above)	87	103
Fee income for taught awards	1,443	1,213
<b>Total</b>	<b>1,530</b>	<b>1,316</b>

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 3 Tuition fees and education contracts

	Year ended 31 July	
	2023	2022
	£'000	£'000
Adult education fees	553	485
Apprenticeship fees and contracts	27	37
Fees for FE loan supported courses	209	251
Fees for HE loan supported courses	1,443	1,213
<b>Total tuition fees</b>	<b>2,232</b>	<b>1,986</b>
Education contracts	4,770	4,157
<b>Total</b>	<b>7,002</b>	<b>6,143</b>

### 4 Other grants and contracts

	Year ended 31 July	
	2023	2022
	£'000	£'000
Other grants and contracts	20	74
<b>Total</b>	<b>20</b>	<b>74</b>

### 5 Other income

	Year ended 31 July	
	2023	2022
	£'000	£'000
Catering and residences	549	550
Other income generating activities	442	432
Miscellaneous income	984	1,162
<b>Total</b>	<b>1,975</b>	<b>2,144</b>

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 6 Investment income

	Year ended 31 July	
	2023	2022
	£'000	£'000
Release of discounting on trade receivables	-	133
Bank interest receivable	832	11
Pension finance income	166	-
<b>Total</b>	<b>998</b>	<b>144</b>

### 7 Staff costs

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

	2023	2022
	No.	No.
Teaching staff	301	316
Non-teaching staff	529	572
	<b>830</b>	<b>888</b>

#### Staff costs for the above persons

	2023	2022
	£'000	£'000
Wages and salaries	18,233	17,078
Social security costs	1,702	1,551
Other pension costs (including FRS 102 adjustment of £557k– 2021/22: £2,959k)	4,300	6,549
<b>Payroll sub total</b>	<b>24,235</b>	<b>25,178</b>
Contracted out staffing costs	2,035	725
	<b>26,270</b>	<b>25,903</b>
Fundamental restructuring costs – Contractual	98	68
<b>Total Staff costs</b>	<b>26,368</b>	<b>25,971</b>

The College paid eight severance payments in the year, disclosed in the following bands:

£0 to £25,000	7
£25,001 to £50,000	1

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 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 comprises, Principal & CEO, Deputy Principal Curriculum, Performance & Student Experience, Interim Deputy Principal Curriculum, Performance & Student Experience, Interim Deputy Principal Finance, Resources & College Planning, Deputy Principal Finance, Resources & College Planning, Deputy Principal Strategy, Partnership & Business Development and Vice Principal - HR & Organisation Development,

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>12</u>

The number of key management personnel has reduced from 12 to 7 in the year following a restructure in the senior leadership team.

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:

	Key management personnel		Other staff	
	2023 No.	2022 No.	2023 No.	2022 No.
£1 to £60,000 p.a.	2	5	-	-
£60,001 to £65,000 p.a.	-	1	1	-
£65,001 to £70,000 p.a.	-	-	1	-
£70,001 to £75,000 p.a.	-	1	1	-
£75,001 to £80,000 p.a.	-	1	3	-
£80,001 to £85,000 p.a.	1	2	-	-
£85,001 to £90,000 p.a.	1	1	-	-
£95,001 to £100,000 p.a.	1	-	-	-
£115,001 to £120,000 p.a.	1	-	-	-
£155,001 to £160,000 p.a.	-	1	-	-
£160,001 to £165,000 p.a.	1	-	-	-
	<u>7</u>	<u>12</u>	<u>6</u>	<u>-</u>



# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 7 Staff costs (continued)

The above 7 key management personnel include 2 members that left during the year. Key management personnel compensation is made up as follows:

	2023 £'000	2022 £'000
Salaries	608	744
Employers National Insurance	54	104
Benefits in kind	-	-
	<u>662</u>	<u>848</u>
Pension contributions	79	140
<b>Total key management personnel compensation</b>	<u>741</u>	<u>988</u>

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

The above compensation includes amounts payable to the Accounting Officer role during the year (who were also the highest paid officers) of:

	2023 £'000	2022 £'000
Salaries	165	157
Benefits in kind	-	-
	<u>165</u>	<u>157</u>
Pension contributions	<u>39</u>	<u>35</u>

The Corporation has adopted the AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

The remuneration package of the Principal and Chief Executive is subject to annual review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

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

	2023	2022
Principal and Chief Executive's basic salary as a multiple of the median of all staff	6.2	5.6
Principal and Chief Executive's total remuneration as a multiple of the median of all staff	6.8	6.6

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 7 Staff costs (continued)

#### Compensation for loss of office paid to former key management personnel

	2023 £'000	2022 £'000
Compensation paid to former post holders	29	18
Number of post holders compensated	1	1

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

### 8 Other operating expenses

	2023 £'000	2022 £'000
Teaching costs	2,304	1,974
Non-teaching costs	3,295	3,091
Premises costs	3,035	3,462
<b>Total</b>	<b><u>8,634</u></b>	<b><u>8,527</u></b>

#### Other operating expenses include:

	2023 £'000	2022 £'000
Auditors' remuneration:		
Financial statements audit	41	32
Internal audit	34	45
Other services provided by the financial statements auditor		
- Teachers Pension audit	1	1
- Other advice		3
Hire of assets under operating leases	<u>106</u>	<u>131</u>

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 9 *Interest and other finance costs*

	2023 £'000	2022 £'000
Enhanced pension provision interest charge	81	47
Pension finance costs (note 21)	-	410
<b>Total</b>	<b>81</b>	<b>457</b>

### 10 *Taxation – Group only*

	2023 £'000	2022 £'000
United Kingdom corporation tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Oaklands Commercial Limited was dormant for the whole of the year ended 31 July 2023 and did not trade.

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 11 Tangible fixed assets

	Land and buildings Freehold £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
<b>Cost or valuation</b>				
At 1 August 2022	80,660	16,769	2,273	99,702
Transfer	-	-	-	-
Additions	411	1,571	3,167	5,149
Disposals	-	(1,520)	-	(1,520)
<b>At 31 July 2023</b>	<b>81,071</b>	<b>16,820</b>	<b>5,440</b>	<b>103,331</b>
<b>Accumulated depreciation</b>				
At 1 August 2022	18,025	14,535	-	32,560
Charge for the year	1,668	947	-	2,615
Elimination in respect of disposals	-	(1,520)	-	(1,520)
<b>At 31 July 2023</b>	<b>19,693</b>	<b>13,962</b>	<b>-</b>	<b>33,655</b>
<b>Net book value at 31 July 2023</b>	<b>61,378</b>	<b>2,858</b>	<b>5,440</b>	<b>69,676</b>
Net book value at 31 July 2022	62,635	2,234	2,273	67,142

Inherited land and buildings were valued as at 1 April 1993 for the purpose of the financial statements on the basis of depreciated replacement cost or, where appropriate, open market value for existing use by the Property Services Department of Hertfordshire County Council. Other inherited tangible fixed assets have been valued by the Corporation at their open market value at the date of incorporation.

The additions to the assets in construction in the year, predominantly relate to the spend incurred to date on the St Albans Campus development.

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 12 Investments

	2023 £'000	2022 £'000
Investment in joint ventures	200	200
Provision for impairment	(200)	-
	<u>-</u>	<u>200</u>

The College also owns 200,000 of the 400,001 issued ordinary shares of Together Training Ltd (Company number 09975696), a company incorporated in England and Wales. The principal business activity of Together Training Ltd is the delivery of apprenticeships.

The College believes this investment is impaired and a full provision has been made. An additional provision of £265k has been made for the losses for 2022-23 and 2023-24 (Note 16). A request to the Department of Education has been made for a total of £465k.

The College also owns 100 per cent of the issued ordinary capital shares of Oaklands Commercial Limited (Company number 09144709), the initial cost of which was £1. The company was dormant in the year ended 31 July 2023.

### 13 Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade receivables	1,298	192
Prepayments and accrued income	726	1,270
Amounts owed by the ESFA	410	118
Other	-	1
<b>Total</b>	<u>2,434</u>	<u>1,581</u>

### 14 Creditors - amounts falling due within one year

	2023 £'000	2022 £'000
Payments received in advance	2,154	562
Trade payables	1,057	704
Other taxation and social security	437	400
Pension creditors	430	383
Other creditors	1,144	652
Accruals	644	1,353
Holiday pay accrual	347	336
Deferred income - government capital grants	231	253
Amounts owed to the ESFA	-	806
Amounts owed to the GLA	-	44
<b>Total</b>	<u>6,444</u>	<u>5,493</u>



# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 15 Creditors - amounts falling due after more than one year

	2023	2022
	£'000	£'000
Deferred income – government capital grants	5,431	4,562
Deferred income – capital grant from LEP	2,905	2,965
Loan from LEP	-	2,000
<b>Total</b>	<b><u>8,336</u></b>	<b><u>9,527</u></b>

The College was awarded a grant of £3m and a loan of £2m towards the redevelopment costs of the St Albans Campus. This grant and loan have been received over 19/20 and 2020/21. The loan is unsecured, interest free and was repaid in July 2023.

### 16 Provisions – Group and College

	Joint venture	Defined benefit obligations	Enhanced Pension provision	Total
	£'000	£'000	£'000	£'000
At 1 August 2022	-	-	2,469	2,469
Increase / (decrease) in the year	265	391	(122)	534
Actuarial gain in the year	-	(391)	(694)	(1,085)
<b>At 31 July 2023</b>	<b><u>265</u></b>	<b><u>-</u></b>	<b><u>1,653</u></b>	<b><u>1,918</u></b>

A provision has been made for the anticipated losses for the joint venture Together Training Ltd.

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.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2023	2022
Price inflation	2.8%	2.9%
Discount rate	5.0%	3.3%

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 17 Cash and cash equivalents

	At 1 August 2022 £'000	Cash flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	<u>32,036</u>	<u>(4,473)</u>	<u>27,563</u>

### 18 Capital and other commitments

	2023 £'000	2022 £'000
Commitments contracted for at 31 July	<u>615</u>	<u>414</u>

### 19 Lease obligations

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

	2023 £'000	2022 £'000
Future minimum lease payments due		
Other		
Not later than one year	106	117
Later than one year and not later than five years	204	306
Total lease payments due	<u>310</u>	<u>423</u>

### 20 Events after the reporting period

At the date of signing these financial statements, no significant post balance sheet events have occurred

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 21 Defined benefit obligations

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

<b>Total pension cost for the year</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Teachers' Pension Scheme: contributions paid	1,645	1,592
Local Government Pension Scheme:		
Contributions paid	2,098	1,998
FRS 102 (28) charge	557	2,959
Charge to the Statement of Comprehensive income	<u>2,655</u>	<u>4,957</u>
Enhance pension charge to Statement of Comprehensive Income	-	-
<b>Total Pension Cost for Year within staff costs</b>	<b><u>4,300</u></b>	<b><u>6,549</u></b>
<b>Total actuarial gain for the year</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Local Government Pension Scheme	391	27,593
TPS enhanced pension provision	694	291
<b>Total gain for the year</b>	<b><u>1,085</u></b>	<b><u>27,884</u></b>

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

Contributions amounting to £430k (2022: £383k) were payable to the schemes at 31<sup>st</sup> July and are included within creditors.

### Teachers' Pension Scheme

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

### The Teachers' Pension Budgeting and Valuation Account

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

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

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 21 Defined benefit obligations (continued)

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.

#### Valuation of the Teachers' Pension Scheme

The actuarial valuation of the TPS which applied during the year ended 31 August 2023 was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (DfE) in April 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 18/19. DfE has agreed to pay teachers' pension employer contribution grant to cover the additional costs during the 2022/23 academic year;
- total scheme liabilities for service to the effective date of £218 billion, and notional assets of £198 billion, giving a notional past service deficit of £22 billion; and
- an employee cost cap of 10.9% of pensionable pay.

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy). DfE have agreed to pay a Teachers' Pension Employer Contribution grant to cover the additional costs in the 2023-24 financial year.

The pension costs paid to TPS in the year amounted to £1,645k (2022: £1,592k)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Hertfordshire County Council. The total contributions made for the year ended 31 July 2023 were £2655k, of which employer's contributions totalled £2,098k and employees' contributions totalled £556k. The agreed contribution rates for future years are 23.7% for employers and range from 5.5% to 11.4% for employees, depending on salary.

#### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary.

	2023	2022
Rate of increase in salaries	3.50%	3.15%
Future pensions increases	3.00%	2.75%
Discount rate for scheme liabilities	5.05%	3.50%
Commutation of pensions to lump sums - services to 31 <sup>st</sup> March 2008	45%	50%
Commutation of pensions to lump sums - service from 1 <sup>st</sup> April 2008	45%	75%

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 21 Defined benefit obligations (continued)

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

	2023	2022
<i>Retiring today</i>		
Males	21.5	21.9
Females	24.2	24.4
<i>Retiring in 20 years</i>		
Males	21.8	22.9
Females	25.5	26.0

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

	2023	2022
	£'000	£'000
Fair value of plan assets	69,388	71,332
Present value of plan liabilities	(60,356)	(66,326)
Adjustment to cap asset to £nil in accordance with FRS102	(9,032)	(5,006)
<b>Net pensions liability</b>	<u>-</u>	<u>-</u>

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

	2023	2022
	£'000	£'000
<b>Amounts included in staff costs</b>		
Current service cost	2,675	4,997
Past service cost	-	54
<b>Total</b>	<u>2,675</u>	<u>5,051</u>

	2023	2022
	£'000	£'000
<b>Amounts included in interest and other finance costs</b>		
Net interest income/(costs)	166	(410)
	<u>166</u>	<u>(410)</u>

	2023	2022
	£'000	£'000
<b>Amount recognised in Other Comprehensive Income</b>		
Return on pension plan assets	(5,311)	(2,384)
Other experience gains on plan liabilities	(8,845)	(219)
Changes in assumptions underlying the present value of plan liabilities	18,573	35,202
Adjustment to cap asset to £nil in accordance with FRS102	(4,026)	(5,006)
<b>Amount recognised in Other Comprehensive Income</b>	<u>391</u>	<u>27,593</u>



# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 21 Defined benefit obligations (continued)

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Net defined benefit liability in scheme at 1 August	-	(24,224)
Movement in year:		
Current service cost	(2,675)	(5,051)
Employer contributions	2,118	2,092
Net interest on the defined liability	166	(410)
Actuarial gain	391	27,593
<b>Net defined benefit liability at 31 July</b>	<b>-</b>	<b>-</b>

#### Asset and Liability Reconciliation

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
Defined benefit obligations at start of the year	66,326	95,953
Current service cost	2,675	5,051
Interest cost	2,339	1,564
Contributions by Scheme participants	564	514
Changes in financial assumptions	(9,438)	(34,983)
Estimated benefits paid	(2,110)	(1,773)
<b>Defined benefit obligations at end of the year</b>	<b>60,356</b>	<b>66,326</b>

#### Changes in fair value of plan assets

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets at start of the year	71,332	71,729
Interest on plan assets	2,505	1,154
Return on plan assets	(5,021)	(2,384)
Employer contributions	2,118	2,092
Contributions by Scheme participants	564	514
Estimated benefits paid	(2,110)	(1,773)
<b>Fair value of plan assets at end of the year</b>	<b>69,388</b>	<b>71,332</b>

# Oaklands College, Hertfordshire

## Notes to the Financial Statements (continued)

### 22 Related party transactions

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

The total expenses paid to or on behalf of the Corporation members during the year was £273 (2022: £0). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Corporation meetings and other College related events and meetings in their official capacity.

No Corporation member has received any remuneration or waived payments from the College or its subsidiary during the year (2022: None).

### 23 Amounts disbursed as agent

	2023	2022
	£'000	£'000
(Debtor) / Creditor balance brought forward	(36)	70
16-18 bursary grants	346	317
Disbursed to students	(400)	(410)
Administration costs	(13)	(13)
<b>Debtor balance carried forward</b>	<b>(103)</b>	<b>(36)</b>

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.

