

THE WINDSOR FOREST COLLEGES GROUP

Strategic Report and Financial Statements for the year ended 31 July 2023

The Windsor Forest Colleges Group
For the year ended 31 July 2023

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The Windsor Forest Colleges Group

For the year ended 31 July 2023

Reference and Administrative Details

Board of Governors (excluding student governors)

Ms. A Wellings
Ms. G May
Mr. S Taylor (term ended 03/10/22)
Mr. P Tyndale
Ms. T Coates
Mr. A Haines
Mr. K Virdee
Mr. R Lewis
Mr. M Alabi (resigned 18/06/23)
Mr. N Garat
Mr. P Britton
Ms. S Foley
Ms. A Wheatley
Ms. N Viola (term ended 13/03/23)
Ms. J Croft (appointed 01/08/22)
Ms. P Goodwin (appointed 01/08/22)
Ms. S Sutherland (appointed 01/08/22)
Mr. I Thomson (appointed 01/08/22)
Ms. J Robertson (appointed 01/08/22)
Mr. J Clay (appointed 04/10/23)

Clerk to the Corporation

Ms. T Reeve

Senior Leadership Team

Gillian May	Group Principal and Chief Executive Officer
Richard Munday (from 01/09/22)	Deputy Chief Executive Officer
Amanda Down	Principal, Sixth Form
Anne Entwistle	Principal, Further Education
Jessica Berry (from 28/11/22)	Vice Principal, Curriculum and Quality (Further Education)
Karen Griffiths	Vice Principal, Curriculum and Quality (Sixth Form)
Juliet Holloway	Group Vice Principal, Business Development
Kathryn Seal (from 18/10/22 to 13/06/23)	Vice Principal, Adults
Susan Brady	Interim Group Director, Human Resources
Roberts Disbury-Mockett (to 30/04/23)	Group Director of Information & Business Systems Technology
Dan Fairbairn	Group Director of Digital, Marketing and Admissions
Tracy Reeve	Director of Governance

**The Windsor Forest Colleges Group
For the year ended 31 July 2023**

Principal and Registered Office:

Langley College
Station Road
Langley Berkshire
SL3 8BY

Professional Advisors:

Financial statement auditors and reporting accountants:

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

Internal auditors:

Mazars, 30 Old Bailey, London, EC4M 7AU

Solicitors:

Doyle Clayton, One Crown Court, Cheapside, London EC2V 6LR

Field Seymour Parkes LLP, 1 London Street, Reading, RG1 4PN

Bankers:

Santander UK PLC, Bridle Road, Bootle, Merseyside L30 4GB

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report

OBJECTIVES AND STRATEGIES

The governing body is pleased to present its annual report, including audited financial statements and the auditor's report, for the Windsor Forest College Group for the financial year ending on 31 July 2023.

Legal Status

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

Mission, Vision, Strategy and Objectives

The Governors conducted a review of the College Group's mission in May 2021:

- **Purpose:** To inspire our students to acquire the skills, knowledge, and behaviours necessary to be resilient and to thrive in an ever-changing world.
- **Vision:** Our students will be recognised locally and nationally for their positive contributions to their communities and chosen industries in which they choose to work.
- **Values:**
 - **Excellence:** A culture of creativity, high expectations, ambition and aspiration.
 - **Respect:** Showing fairness, courtesy and mutual respect to each other and our environment.
 - **Integrity:** Honest, openness and trust at the heart of College life.
 - **Diversity:** Celebrating diversity and inclusivity as a key to our success.

Public Benefit

The Windsor Forest College Group (TWFCG) is recognised as an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who serve as trustees of the charity, are disclosed on page 2.

In establishing and reviewing the College Group's strategic objectives, the Governing Body has considered the Charity Commission's guidance on public benefit, particularly emphasising its supplementary guidance on the advancement of education. This guidance stipulates that all organisations seeking charitable recognition must explicitly demonstrate that their aims are for the public benefit.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

In pursuit of its mission, the College Group delivers the following public benefits through the advancement of education to students.

- Provision of courses without charge to young people, the unemployed, and adults undertaking English and Maths courses.
- Adaptation of courses to meet the needs of local employers and the provision of training to apprentices.
- Commitment to providing information, advice, and guidance to enrolled students and facilitating access to suitable courses for students of diverse educational backgrounds.

Implementation of the Strategic Plan

Following the merger with the Berkshire College of Agriculture (BCA) in August 2022, the College Group's Strategic Plan was comprehensively updated and approved. In May 2023, the Corporation endorsed a new strategic plan for the period 2023-25, firmly anchored to local skills requirements, featuring detailed targets, and informing the performance and development of staff and managers across the College Group

The strategic plan aligns with the College Group's property and financial plans. The Corporation monitors the College Group's performance against the plan at its termly meetings and updates the plan as necessary.

The key strategic priorities are delineated as follows:

1. **Growth:** With a particular emphasis on 16-19 study programmes and adult provision.
2. **Finance:** Ensuring at least 'Good' financial health and year-on-year improvement in the point score.
3. **Quality:** Elevating academic standards and enhancing student outcomes.
4. **Inclusion:** Augmenting social mobility through improved access to our enhanced provision.
5. **Development of Alliances:** Securing the strategic future of the group.
6. **Investment in Our People and Group Resources:** Providing inspirational teaching and learning.

Financial Objectives:

For the fiscal year 2022/23, the College Group's financial objectives were to:

- Achieve the agreed budgeted deficit.
- Maintain a positive cash balance throughout the year.
- Achieve the allocations made via DfE grant funding.

After allowing for higher-than-expected merger related costs the College Group successfully delivered on the budgeted deficit for the year. Positive cash balances were maintained throughout the year, and the College Group achieved 85% of the adult education allocation. The resulting clawback has been factored into the future cashflow forecast.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Performance Indicators

The College Group remains steadfast in its commitment to adhering to sector measures and indicators, continuously measuring FE performance across a spectrum of indicators, including:

- Learner volumes and funding targets.
- Teaching quality.
- Qualification success rates and value-added.
- Learner satisfaction.
- Employee satisfaction.
- Learner destination and progression.
- Financial sustainability.

In 2022/23, the recruitment of 16-18 FE learners across the College Group was 4,172 (compared to 4,113 in 2021/22), finishing above the allocated funded target for the year of 4,109. The actual funding value generated during the year for 16-18 FE provision stood at 100.91% of the allocation.

The number of adult FE learners recruited during 2022/23 was 1,761 (compared to 1,553 in 2021/22). The actual funding value generated in respect of the overall Adult Education Budget for 2022/23 was 85% of the allocation for the year.

The College Group remains obligated to complete the annual Finance Record for the Education and Skills Funding Agency, producing a financial health grading. The assessed current rating for 2022/23 is 'Requires Improvement' which has arisen due to the college incurring significant merger costs of £926,000.

Current and Future Developments and Performance:

Student Achievement:

Overall Achievement rates by college 22/23	16-18	19+
BCA	88.80%	88.30%
Langley	83.20%	76.60%
Strode's	71.50%	72.70%
Windsor	74.60%	79.50%
WFCG	80.70%	77.80%

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Higher Education

Pass rates on all HE programmes remained strong at 96%. Some growth was seen in enrolments in 2022/23 with 123 students, plus 22 at BCA, enrolled on HE programmes compared to 115 in 2021/22.

The College Group has continued to review and refine its HE offering and in 2022/23 successfully introduced the Foundation Degree in Professional Practice in Health & Social Care in partnership with the University of West London.

Curriculum Development

The College Group remains steadfast in its commitment to maintaining and enhancing teaching quality and the student experience. Post-merger efforts to establish high expectations and consistently high quality across the College Group have yielded positive results, with senior managers working collaboratively across the four campuses under the leadership of Principals for Sixth Form/Higher Education and Further Education.

This collaborative approach has fostered the sharing of values and the establishment of a cohesive culture across the College Group. Throughout the 2022-23 academic year, the curriculum leadership team has maintained a bi-weekly meeting schedule to sustain a focus on quality.

The College Group continues to offer clear progression routes, with flexible provision tailored to the needs of learners and employers. Wider aspects of the curriculum, including tutorial and enrichment programs, are deemed highly effective. The College Group has adeptly revised its curriculum offering to align with national and local priorities, leveraging data to inform ongoing development.

Significant curriculum and quality developments in 2022/23 include:

- Ongoing development of the Adult Strategy, which addresses the identified local skills gaps through provision which is aligned with local and regional employment needs.
- Introduction of new curriculum areas including Level 3 Hair and Make-Up for Film and TV plus investment in Green and Retro fitting programmes of study.
- Completion of the transition to Apprenticeship Standards, replacing previous Frameworks.

The College Group's curriculum offering reflects the unique characteristics of its four colleges, with improved progression routes identified in specific provision areas. Curriculum teams across the four colleges collaborate to share best practices and resources.

Curriculum delivery in partnership with employers, in work-based and community settings, has rebounded post-pandemic and become a notable strength of the Group. The College Group continues to deliver a diverse range of employer-focused programs, with employer engagement being a top priority.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Partnership Work

Partnership initiatives have led to the successful reestablishment of community-based employability provision in West London for adult learners in ESOL and Digital Skills. New programmes in Maths for adults are also being offered under a DfE initiative called 'Multiply.' Collaborations with Catalyst (a major housing association) and The Royal Borough of Windsor & Maidenhead (RBWM) have commenced, supporting employability provision for refugees and Multiply provision for adults in community locations.

Capital funding from the Thames Valley Berkshire Local Enterprise Partnership ('TVBLEP') has facilitated the development of a Construction Green Skills Centre, offering Green Construction courses in technologies such as Heat Pumps, Solar, and Rainwater Harvesting. Collaborative work with other Berkshire/Oxfordshire College Groups has unlocked additional funds under DfE Strategic Development Funding to enhance the Green Skills Course in Construction, Electric Vehicles, and associated capital equipment.

Curriculum Development and Future Planning

In our unwavering commitment to maintaining a relevant and industry-responsive curriculum, our college continually adapts and evolves its course offerings. This adaptability is driven by thorough market analysis and collaboration with industry partners to ensure our programs remain at the forefront of industry practices. Our work to support the Local Skills Improvement Plan (LSIP) has informed our strategic curriculum development plans, particularly for Windsor and Langley colleges, with new course provision offered from 2023/24.

Our college places a high premium on the development and review of programmes, working closely with local employers and partners to align our offerings with the latest industry requirements. Our curriculum approach encompasses several distinct pathways to cater to the diverse needs of our learners:

1. **Vocational and Academic Excellence:** We place strong emphasis on enabling our learners to progress and attain the technical and higher technical expertise sought after by most employers. Our programs span Levels 3, 4, and 5, ensuring that our graduates are well-prepared for the demands of the professional world.
2. **Foundational Skills:** The acquisition of essential skills in Maths, English, and Digital literacy is central to our curriculum planning. We offer a range of courses, including GCSEs, Functional Skills, AS/A2 levels, with all learners entitled to free access to these crucial subjects.
3. **Industry Readiness:** Our commitment to preparing learners for successful careers in various industries is reflected in our Professional & Trades options. These encompass Levels 1, 2, and 3 Apprenticeships, ongoing professional development for staff, and accessible pathways through Access to Higher Education programmes. We are proud of our established relationship with Heathrow Airport, which offers promising future partnership opportunities, particularly within the realm of Apprenticeships.

By continually refining and expanding our curriculum offerings, our college remains dedicated to empowering learners with the skills and knowledge necessary to excel in a rapidly evolving job market. Through strategic partnerships and a forward-thinking approach, we aim to provide accessible and industry-relevant education for learners of all ages and backgrounds.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Financial objectives

The Corporation has adopted a financial planning framework with associated objectives.

This framework is based upon securing sound financial health so that:

- the College Group is protected from any unforeseen downturn in activity and/or profitability.
- the College Group generates sufficient funds to continue its strategy of reinvestment in the expansion and improvement of teaching and learning.
- the College Group can clearly demonstrate that its activities provide value for money.
- the College Group is perceived as a good employer which thrives on academic and financial success; and
- the College Group can discharge its responsibilities as a large organisation in its dealings with third party suppliers.

The financial objectives set are shown below together with the performance for the year *against these*.

- i. after allowing for merger-related costs deliver an operating deficit of £1,511,000 (excluding any adverse effects from the implementation of the FRS 102 pension accounting rules and before asset sales) - *£1,894,000 actual deficit, after allowing for merger-related costs of £926,000.*
- ii. maintain staff costs at or below 69.32% of income - *70.44% actual.*
- iii. maintain at least ESFA "Requires Improvement" financial health - *'Requires Improvement' financial health actual.*
- iv. to maintain a current ratio (adjusted to exclude deferred capital grants) of at least 2.7 - *2.6 actual.*
- v. Achieve a minimum year-end cash balance of £6.?m - *£6.9m actual.*

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Financial Position

Financial results

The College Group generated an operating deficit in the year of £2,820,000 (2021/22 - £575,000 deficit) excluding FRS102 charges on the LGPS defined benefit pension scheme and asset sales, and before allowing for merger-related costs of £926,000. The increase in the deficit is partially explained by the merger costs but was also due to significantly higher gas and electricity costs of £1,142,000 (2021/22 - £709,000). In addition, in 2021/22 the College Group received £731,000 in respect of access rights to Strode's Lane at Strode's College as a one-off and as such there was no equivalent for 2022/23.

The College Group's accumulated reserves have increased from £53,616,000 in 2021/22 to £59,612,000. The College Group's cash balances have decreased from £8,923,000 in 2021/22 to £6,896,000. Moving forward, the College Group aims to generate surpluses and cash flow that will support investments in teaching and learning, as well as establish contingency reserves.

Tangible fixed asset additions during the year amounted to £2,897,000 (2021/22 - £2,197,000).

The College Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the ESFA provided 82% (2021/22 - 82%) of the College Group's total income.

The table below shows the movement from the operating deficit to the surplus reported in the Statement of Comprehensive Income and highlights the effect of the favourable movement in the LGPS deficit on the overall results.

		Actual £'000	Prior year £'000	Actual vs. prior year £'000
Operating deficit	Income	42,888	40,681	2,207
	Pay costs	-29,673	-27,218	-2,455
	Non-pay costs	-16,035	-14,038	-1,997
	Operating deficit	-2,820	-575	-2,245
To agree to SOCI	Pension charges	-982	-3,488	2,506
	Deficit per SOCI	-3,802	-4,063	261
	Pension re-measurement	9,798	38,332	-28,534
	Total Comprehensive Income	5,996	34,269	-28,273

The table below shows the relationship between the operating deficit and the EBITDA for the year

Operating deficit (as shown above)	-2,820	-575	-2,245
Depreciation/amortisation	4,099	3,936	163
Interest received	-235	-27	-208
Interest paid	34	105	-71
Deferred Capital Grants	-1,421	-1,355	-66
EBITDA	-343	2,084	-2,427

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Treasury policies and objectives

Treasury management encompasses the oversight of the group's cash flows, banking activities, money market transactions, and capital market transactions. It also involves effectively managing the associated risks while striving for optimal performance within those risk parameters.

The College Group has a cash, banking and treasury management policy that captures all appropriate policies and procedures.

Cash flows and Liquidity

The cash balance held of £6,896,000 maintains the College Group's liquidity position.

Reserves Policy

The Board carefully considered in July 2021 its policy regarding the cash reserves to be held and has determined that a minimum of £3.5million will be held at the end of any financial year. This is to enable the College Group to respond to unforeseen requirements in a planned way. The College Group's Strategic Plan and Financial Forecast ensures adherence to this.

The level of cash reserves as at 31 July 2023 was £6,896,000 which was £3,396,000 above the minimum level.

Current and Future Development and Performance Curriculum

Developments

To ensure the ongoing relevance of our curriculum, the College Group uses market intelligence to identify emerging trends and industry demands. This enables us to develop new courses that align with current industry practices, while also maintaining a strong focus on learner progression and acquiring the necessary technical and higher technical expertise required by employers.

In collaboration with local employers and partners, the College Group ensures that the curriculum remains relevant and accessible. This collaborative approach ensures that our courses are tailored to meet the specific needs of the industry and provide learners with the skills and knowledge they need to succeed in their chosen fields.

Our curriculum planning encompasses distinct pathways to cater to different learner needs:

1. Vocational and Academic Pathways: These pathways prioritise learners progressing and acquiring technical and higher technical expertise (at Levels 3, 4, and/or 5) that are in high demand by employers.
2. Maths, English, and Digital Skills: We place a strong emphasis on these foundational skills, offering GCSEs, Functional Skills, and AS/A2 levels. All learners are entitled to free Maths and English courses to support their overall development.
3. Industry-Ready - Professional & Trades Options: We are actively developing Levels 1, 2, and 3 Apprenticeships, as well as providing industrial updating for staff and offering professional Access to Higher Education (HE) courses. These options are designed to meet the needs of learners aged 24 and above, as well as fee-paying learners. We have also established a strong partnership with Heathrow Airport, which presents future opportunities, particularly in the area of Apprenticeships.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Trade Union Facility Time

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

Numbers of employees in the relevant period	FTE employee number
6	5.1

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

Total cost of facility time	£30,117
Total pay bill	£30,166,000
Percentage of total bill spent on facility time	0.1%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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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 per cent.

During the accounting period 1 August 2022 to 31 July 2023, the College Group paid at least 95 per cent of its invoices within 30 days. The College Group incurred no interest charges in respect of late payment for this period.

Future Prospects

The College Group is well-positioned to tackle future challenges to its excellent range of resources and facilities available across the College Group. These assets contribute to the group's ability to continue operating and meet its financial obligations, as projected in the financial forecast until July 2025.

Resources:

The College Group has various resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the College Group's three owned campuses at Langley, Windsor and BCA. In addition, the College Group has a 25-year lease of the Strode's College site until 2042 with an option to extend for a further 25 years.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Resources: (continued)

Current assets total £8,354,000. including £6,896,000 cash balances.

Financial

The College Group has £59,612,000 of net assets (including £6,793,000 pension liability).

People

The College Group employed as an average throughout the year 879 members of staff (expressed as headcounts), of whom 540 were teaching staff.

Reputation

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

The College Group has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College Group's assets and reputation.

Principal Risks and Uncertainties:

The Senior Leadership Team and the Corporation have the responsibility for the risk management of the College Group. This group conducts a comprehensive review of the College Group's risks based on the Strategic Plan. They identify systems, procedures, and specific preventive actions that can help mitigate any potential impact on the College Group. These internal controls are then implemented and their effectiveness and progress in mitigating risks are reviewed in the subsequent year's appraisal.

To facilitate risk management, a risk register is maintained at the College Group level. This register is reviewed at each meeting of the Audit Committee and Board of Governors. It highlights key risks, assesses the likelihood of their occurrence, evaluates their potential impact on the College Group (both at the gross and net risk level), and outlines the actions being taken to reduce and mitigate those risks. Risks are prioritised using a consistent scoring system, and efforts are made to raise awareness of risks throughout the College Group.

The Corporation, at its meeting in October 2023, reviewed the latest Risk Register and Risk Management Plan.

The following is a summary of the five highest risks identified in the plan:

1. Failure to meet the budget forecast to reduce the operating deficit.
2. Uncertainty and risk associated with emerging national curriculum reforms.
3. Risk of radicalisation, extremism, and sexual exploitation on campus.
4. Poor student outcome data, particularly at Langley College.
5. Changes to external funding posing a risk to future financial sustainability.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Stakeholder Relationships:

In line with other colleges and with universities, the Windsor Forest Colleges Group has many stakeholders. These include:

- Students.
- The ESFA, GLA, and Office for Students.
- FE Commissioner.
- Staff.
- Local employers {with specific links}.
- Local Authorities including Slough Borough Council, the Royal Borough of Windsor and Maidenhead and Surrey County Council.
- The Thames Valley Berkshire and the Enterprise M3 Local Enterprise Partnerships.
- The local community.
- Other local FE institutions.
- Other HE institutions.
- Trade unions: UCU, NEU, NAS/UWT, UNISON.
- Professional bodies

The College Group recognises the importance of these relationships and engages in regular communication with them through the College Group internet site and by meetings.

Equality and Diversity

Equal opportunities and employment of disabled persons

The Windsor Forest Colleges Group is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, sex, sexual orientation, disability, religion or belief, being a transsexual person, having just had a baby or being pregnant, being married or in a civil partnership and age.

We strive vigorously to remove conditions which place people at a disadvantage, and actively combat discrimination, direct or indirect. This is resourced, implemented, and monitored on a planned basis. The College Group's Equality Objectives are published on the College Group's Internet site. The College Group's policy is to provide training, career development and opportunities for promotion to all employees.

The Windsor Forest Colleges Group welcomes applications from people with disabilities. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the College Group continues.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Strategic Report (continued)

Disability statement

The Windsor Forest Colleges Group seeks to achieve the objectives set down in the Equalities Act 2010.

- a) The admissions policy for all students is described in The Windsor Forest Colleges Group Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- b) The Windsor Forest Colleges Group has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- c) Specialist programmes are described in group's prospectuses and achievements. and destinations are recorded and published in the standard College format.
- d) Counselling and welfare services are described in the Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.
- e) The College Group holds the Disability Confident - Committed which means we are positive about employing disabled people and are keen to know about their abilities. The symbol is awarded to employers who have made commitments to employ, keep and develop the abilities of disabled staff.

Going Concern

After making appropriate enquiries, the Corporation considers that the College Group 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.

The College Group can continue in operation and meet its liabilities taking into account its current financial position and its principal risks for the foreseeable future. The College Group also has in place a 3-year strategic plan and a similar financial plan which is monitored throughout the year. The College Group holds cash balances of nearly £6.9 million.

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 3 July 2024 and signed on its behalf by:


Chair of Governors

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2022 to 31st July 2023 and up to the date of approval of the annual report and financial statements.

Governance Code

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").

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges, which it formally adopted on 1st July 2015. In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023.

This opinion is based on an internal review of compliance with the Code, reported to the Board on 15 November 2023 with internal self-assessment of Governance via one-to-one meetings between the Chair of Corporation and individual governors to gather feedback and assessing the Governing Body performance against the adopted Code. It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources, and standards of conduct.

The Corporation

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

	Date of appointment	Term of office	Date of Resignation	Status of appointment	Committees Served	Attendance at Board & Committees
Ms. A Wellings	11.03.2009 New term agreed to 03.2017 5.10.2016 new term agreed to 03.2021 8.7.2020 new term agreed to 31.7.2021 18.2.21 new term agreed to July 2024	4 years		External (Vice Chair of Corporation to 18.2.21. Chair of Corporation from 18.2.2021)	Remuneration (Chair); Resources; Quality & Curriculum (Chair); Strategy, Governance & Search	80%

The Windsor Forest Colleges Group
For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control (continued)

	Date of appointment	Term of office	Date of Resignation	Status of appointment	Committees Served	Attendance at Board & Committees
Ms. G May	18.4.2021	n/a		Principal (Accounting Officer)	Strategy, Governance & Search; Resources; Quality & Curriculum. CDSG	100% (100%)
Mr. M Alabi	8.7.2020	4 years	Resigned 18.06.23	External	Quality & Curriculum; Audit; Resources	42%
Mr. P Britton	19.5.2021	4 years		External	Strategy, Governance & Search	79%
Ms. T Coates	07.10.2015 03.07.2019 new term agreed to 07.10.2023 05.07.23 new two-year term agreed to 31.07.25	2 years		External	Strategy, Governance & Search (Chair); Resources; Quality & Curriculum; Remuneration	89%
Ms. J Croft	01.08.22	4 years		External	Audit. CDSG	100%
Ms. S Foley	19.5.2021	4 years		External	Resources, CDSG	88%
Mr. N Garat	9.12.2020	4 years		External	Audit. Quality & Curriculum	87%
Ms. P Goodwin	01.08.22	2 years		External	Remuneration; Strategy Governance & Search, CDSG	76%
Mr. A Haines	07.12.2015 3.7.2019new term agreed to 7.12.2023	4 years		External	Audit	80%
Mr. R Lewis	9.5.2017 9.12.2020 new term agreed to 9.5.2025	4 years		External	Remuneration; Strategy, Governance & Search; Audit; Quality & Curriculum	68%
Ms. S Sutherland	01.08.22	2 years		External	Quality & Curriculum	75%

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Statement of Corporate Governance and Internal Control (continued)

	Date of appointment	Term of office	Date of Resignation	Status of appointment	Committees Served	Attendance at Board (Committees)
Mr. S Taylor	02.10.2013 5.10.2016 new term agreed to 02.10.2021 7.7.21 new term agreed to 2.10.2022	4 years	Term ended 2.10.22	External	Audit (Chair); Strategy, Governance & Search	0%
Mr. I Thomson	01.08.22	4 years		External	Audit; Strategy, Governance & Search, CDSG	85%
Mr. P Tyndale	07.10.2015 03.07.2019 new term agreed to 07.10.2023	4 years		External	Audit; Remuneration	90%
Mr. K Virdee	9.5.2017 29.4.2020 new term agreed to 9.5.2024	4 years		External	Remuneration; Resources	71%
Mr. J Clay	04.10.23	4 years		Staff	Quality & Curriculum	NIA
Ms J Robertson	01.08.22 Current term of office to 30.11.24	4 years		Staff	Quality & Curriculum	91%
Ms. N Viola	13.3.2019	4 years	Term ended 13.03.23	Staff	Quality & Curriculum	100%
Ms. A Wheatley	7.7.2021	4 years		Staff	Quality & Curriculum	82%
Ms. T Emms	1.8.2022	1 year	Term ended 31.07.23	Student 22/23 (Sixth Form)	Quality & Curriculum	50%
Ms. S Adams	1.8.2022	1 year	Resigned 30.04.23	Student 22/23 (FE)	Quality & Curriculum	57%
Ms. Aaina Khan	1.05.23	1½ years		Student 22/23 and 23/24 (FE)	Quality & Curriculum	60%
Ms. K Pavlovska	1.8.2023	1 year		Student 23/24	Quality & Curriculum	100%
Mrs Tracy Reeve. Director of Governance acted as Clerk to the Corporation from 1 August 2022.						

The Windsor Forest Colleges Group
For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control (continued)

The members who served on the Audit committee during the year and up to the date of signature of this report were as listed in the table below. The Committee met a total of 4 times in the year.

	Status of appointment	Attendance at Audit Committees
Mr. M Alabi	External	100%
Ms. J Croft	External	100%
Mr. N Garat	External	100%
Mr. A Haines	External	100%
Mr. R Lewis	External	33%
Mr. S Taylor	External	0%
Mr. I Thomson	External	100%

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Resources, Quality and Curriculum, Remuneration, Governance, Search and Strategy and Audit. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.windsor-forest.ac.uk or from the clerk to the Corporation at:

The Windsor Forest Colleges Group
 Station Road
 Langley
 Berkshire SL3 8BY

The Director of Governance maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Director of Governance 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 also provided on an ad hoc basis.

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

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

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control (continued)

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 Strategy Governance and Search committee, consisting of seven members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years.

Corporation Performance

There is an annual appraisal of all Governors by the Chair of the Board, which contributes to informing the overall performance and highlights areas for future training.

There are two Governor Strategy Days every year and these assist in allowing time for strategic conversations as well as informing and updating the Board in order to improve its performance, e.g., legal updates.

Annually each committee considers to what extent it feels it has added to the overall Corporation KPI's. This report is considered by the Board.

Remuneration committee

Throughout the year ending 31 July 2023, the College's Remuneration Committee comprised five members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior post-holders.

Details of remuneration for the year ended 31 July 2023 are set out in note 8 to the financial statements.

The College Board adopted the Association of College's Remuneration Code for Senior Postholders in December 2020.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control (continued)

Audit committee

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

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

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

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

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

Internal control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The WFCG for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating, and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control (continued)

The risk and control framework

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

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

The Windsor Forest Colleges Group 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 minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the College

The College's risks are identified in the risk register and their overall risk score is calculated for the impact and likelihood of the risk occurring based on a formal risk scoring system. The College Risk Register is reviewed at each sub-committee and Corporation meeting as a standing agenda item. The most significant risks are listed earlier in this report.

Control Weaknesses Identified

No significant weaknesses or failures were identified in the year.

Responsibilities Under Funding Agreements

Members of the College Senior Leadership Team review and monitor the College's contractual responsibilities under the funding agreements with the ESFA. Any significant matters are also considered with the College's Committees and Board.

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The college has reviewed its policies, procedures and approval processes in line with these new requirements and will update them to ensure compliance with the new requirements. The college has established systems and processes to identify and handle any transactions for which DfE approval is required.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Statement of Corporate Governance and Internal Control (continued)

Statement from the Audit Committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

The specific areas of work undertaken by the audit committee in 2022-23 and up to the date of the approval of the financial statements are:

- internal audit reviews of Marketing, Estates Management, Human Resources, learner numbers and follow up of recommendations.
- regular review of the College's risks as shown in the Risk Management Plan.
- review of the External Audit Management Reports on the 2021-22 and 2022-23 Accounts.

Review of effectiveness

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

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

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

The senior leadership 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 leadership team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2022.

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"*.

Approved by order of the members of the Corporation on 3 July 2024 and signed on its behalf by:

A Wellings



3 July 2024

GMay



Accounting Officer

3 July 2024

The Windsor Forest Colleges Group
For the year ended 31 July 2023

Statement on the College's 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 or funding non-compliance, 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.



G May
Accounting Officer
Date 3 July 2024

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.



A Wellings

Chair of Governors
Date 3 July 2024

The Windsor Forest Colleges Group

For the year ended 31 July 2023

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, and Office for Students, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice - Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosure in the accounts and auditor's report); and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation.

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

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

Statement of responsibilities of the members of the corporation (continued)

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, 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 3 July 2024 and signed on its behalf by:

1 1 : : .
Chair of Governors

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Independent auditor's report to the Corporation of The Windsor Forest Colleges Group

Opinion

We have audited the financial statements of Corporation of the Windsor Forest Colleges Group (the "College") for the year ended 31 July 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Education and Skills Funding Agency.

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 College's deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 governors' 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 governors 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 Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

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.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

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

adequate accounting records have not been kept;
the financial statements are not in agreement with the accounting records; or
we have not received all the information and explanations required for our audit.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

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

Responsibilities of the Corporation of The Windsor Forest College Group

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 25 to 26, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Windsor Forest Colleges Group

For the year ended 31 July 2023

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the College operates in and how the college are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, Regulatory Advice 9: Accounts Direction published by the Office for Students' and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The Windsor Forest Colleges Group
For the year ended 31 July 2023

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, review of accounting policies in relation to revenue recognition and sample testing revenue.

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 13 June 2023. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged 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 Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

'RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK91BP

Date 25 July 2024

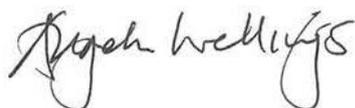
**The Windsor Forest Colleges Group
Statement of Comprehensive Income
For the year ended 31 July 2023**

	Notes	2023 £'000	2022 £'000
INCOME			
Funding body grants	2	35,512	33,501
Tuition fees and education contracts	3	3,927	3,770
Other grants and contracts	4	691	233
Other income	5	2,511	3,139
Investment income	6	235	27
Donations and endowments	7	12	11
Total income		42,888	40,681
EXPENDITURE			
Staff costs	8	30,166	29,917
Restructuring costs	8	136	300
Other operating expenses	9	11,766	9,697
Interest and other finance costs	10	523	894
Amortisation	12	4	4
Depreciation	13	4,095	3,932
Total expenditure		46,690	44,744
Deficit before tax		(3,802)	(4,063)
Taxation	11		
Deficit for the year		(3,802)	(4,063)
Remeasurement of net defined benefit pension liability	23	9,798	38,332
Total comprehensive income for the year		5,996	34,269
Represented by:			
Unrestricted comprehensive income for the year		5,996	34,269

The Windsor Forest Colleges Group
Balance sheet as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Intangible fixed assets	12	19	23
Tangible fixed assets	13	93,242	94,440
		93,261	94,463
Current assets			
Stocks		90	113
Debtors	15	1,368	1,521
Cash at bank and in hand	20	6,896	8,923
		8,354	10,557
Less: Creditors - amounts falling due within one year	16	(5,811)	(6,431)
Net current assets		2,543	4,126
Total assets less current liabilities		95,804	98,589
Less: Creditors - amounts falling due after more than one year	17	(29,111)	(29,100)
Provisions for liabilities			
Defined benefit pension scheme liability	23	(6,793)	(15,523)
Other provisions	19	(288)	(350)
Total net assets		59,612	53,616
Unrestricted reserves			
Income and expenditure account		47,052	40,916
Revaluation reserve		12,560	12,700
Total unrestricted reserves		59,612	53,616

The financial statements on pages 31 to 57 were approved and authorised for issue by the Corporation on 3 July 2024 and were signed on its behalf on that date by:



A Wellings

Chair of Governors



G May

Accounting Officer

The Windsor Forest Colleges Group
Statement of Changes in Reserves
For the year ended 31 July 2023

	Income and Expenditure account £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2021	6,507	12,840	19,347
Surplus from the income and expenditure account	(4,063)		(4,063)
Other comprehensive loss	38,332		38,332
Transfers between revaluation and income and expenditure reserves	140	(140)	
Total comprehensive loss for the year	<u>34,409</u>	<u>(140)</u>	<u>34,269</u>
Balance at 31 July 2022	<u>40,916</u>	<u>12,700</u>	<u>53,616</u>
Loss from the income and expenditure account	(3,802)		(3,802)
Other comprehensive income	9,798		9,798
Transfers between revaluation and income and expenditure reserves	140	(140)	
Total comprehensive gain for the year	<u>6,136</u>	<u>(140)</u>	<u>5,996</u>
Balance at 31 July 2023	<u>47,052</u>	<u>12,560</u>	<u>59,612</u>

The Windsor Forest Colleges Group
Statement of Cash Flows
For the year ended 31 July 2023

	2023	2022
	£'000	£'000
Operating activities		
Deficit for the year	(3,802)	(4,063)
Adjustment for non- cash items		
Amortisation	4	4
Depreciation	4,095	3,932
Decrease/(increase) in stocks	23	(19)
Decrease/(increase) in debtors	153	(632)
(Decrease)/increase in creditors due within one year	(457)	677
(Increase) in creditors due after one year	(1,441)	(1,060)
Decrease in provisions	(62)	(31)
Pensions costs less contributions payable	1,068	3,038
	(419)	1,846
Net cash from operating activities		
Adjustment for investing or financing activities		
Investment income	(235)	(27)
Interest payable	501	894
	266	867
Investing activities		
Investment income	235	27
Payments made to acquire fixed assets	(2,897)	(2,197)
Receipt of Deferred Capital Grants	2,823	714
	161	(1,456)
Financing activities		
Interest paid	(501)	(397)
Repayments of amounts borrowed	(1,534)	(395)
	(2,035)	(792)
(Decrease)/increase in cash and cash equivalents in the year	(2,027)	465
Cash and cash equivalents at beginning of the year	8,923	8,458
Cash and cash equivalents at end of the year	6,896	8,923

The Windsor Forest Colleges Group

Notes to the Financial Statements

For the year ended 31 July 2023

1. Accounting policies

General information

The Windsor Forest Colleges Group is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 2. The nature of the College's operations is set out in the Report of the Governing Body.

Basis of accounting

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 2022 to 2023*, and *Regulatory Advice 9: Accounts Direction* issued by the Office for Students and in accordance with Financial Reporting Standard 102 - "*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*" (FRS 102) under the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

On 1 August 2022 The Windsor Forest Colleges Group completed a 'Type B' merger with Berkshire College of Agriculture. This resulted in all of the assets, liabilities, staff and students from Berkshire College of Agriculture transferring to The Windsor Forest Colleges Group and carrying on that name. These financial statements have been prepared using merger accounting principles, which means that the comparative values are restated by including the results for the merged Colleges for their previous accounting period and their balance sheets for the previous year end date.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The financial statements incorporate those of the College only. The College's only subsidiary, BCA Landbase Limited, has been dormant for the current and previous period. Therefore, consolidated financial statements for the College Group have not been prepared.

The financial statements are presented in sterling which is also the functional currency of the College

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review, which includes an assessment of the potential financial impact of the current inflationary environment and on-going impact of the employee terms and conditions harmonisation post the merger of TWFCG and BCA on 1 August 2022. The financial position of the College, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College's forecasts and financial projections indicate that it will be able to operate within its existing cash reserves for the foreseeable future.

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

Recognition of income

Grants - government and non-government

Revenue grant funding

Government revenue grants are accounted for under the accruals model and are recognised on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

The Windsor Forest Colleges Group Notes to the Financial Statements For the year ended 31 July 2023

Adult Education Budget ('AES') grant funding income is recognised as a best estimate of the amount receivable in accordance with the main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement by the College and the ESFA at the reporting end date. Any subsequent agreement to determination of the AES funding after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income recognised.

16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

ESFA funding for apprenticeships income is measured in line with best estimates of the provision delivered in the year.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee Income

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Investment income

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

Retirement benefits

Retirement benefits to employees of the College are principally provided by the Teachers' Pension Agency (TPS) and the Local Government Scheme (LGPS), which are multi-employer defined benefit plans.

The Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method.

The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting. The TPS is therefore accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The Windsor Forest Colleges Group

Notes to the Financial Statements

For the year ended 31 July 2023

The Royal County of Berkshire Pension Fund (LGPS)

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses, and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 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.

Intangible fixed assets - goodwill

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the College, this represents the period over which the goodwill is expected to give rise to economic benefits.

Tangible fixed assets

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

Land and buildings

Land and buildings inherited from the Local Education Authority are recognised in the balance sheet at deemed cost less accumulated depreciation and accumulated impairment losses.

The central College building of Berkshire College of Agriculture is a 300-year-old Grade I listed building.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets

Land and buildings are depreciated over their expected useful economic life to the College over the following periods:

- | | |
|---|------------------------------|
| • Freehold land | Not depreciated |
| • Freehold buildings (including major improvements) | 10 to 50 years straight line |
| • Minor adaptations | 5 to 15 years straight line |

The Windsor Forest Colleges Group

Notes to the Financial Statements

For the year ended 31 July 2023

Land and buildings owned by third parties

The College occupies land and the buildings at the Strode's campus which are owned outright by the "Strode's Foundation" which is a foundation registered with the Charity Commission. The Charitable Objectives of the Foundation is for the education of students of the former Strode's College and Egham area.

Provided the College continues to deliver to the conditions set by the Foundation allowing it to meet its charitable objectives then the College is entitled to continue to use the Foundation's assets.

The College has in place a formal lease with the Foundation that conveys to the College the exclusive right to occupy these buildings for a period of 25 years from 2017. Within the lease the College has the option to extend the lease for a period of 25 years. Either prior to or at the end of the 25 year lease the college intends to apply to extend this agreement for a further period beyond the ultimate 60 year end date. This process would continue into perpetuity.

The College pays an annual rent of £20,000 for the use of the land and buildings.

Whilst legal title to the land and buildings remains with the Foundation, all economic benefit passes to the College. In accordance with the relevant Financial Reporting Standards (FRS 102 17.15), the assets have been stated in the balance sheet at valuation on the basis of deemed cost.

On the basis that:

- the College has effective unrestricted use of the land as it does not plan to breach any of the underlying terms of its legal agreement with the Foundation; and
- plans are in place to extend the formal lease agreement into perpetuity.
- the Corporation has adopted a policy of not depreciating the value of land owned by the Strode's Foundation.
- The land and buildings owned by third parties are depreciated in line with land and buildings set out above.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the statement of comprehensive 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 £5,000 per individual item is written off to the statement of comprehensive income in the period of acquisition. All other equipment is capitalised at cost.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College of between one and three years from incorporation and is now fully depreciated. All other equipment is depreciated over its useful economic life as follows:

- | | |
|-----------------------|---------------|
| • Plant and machinery | 5 to 15 years |
| • Office equipment | 4 to 10 years |
| • Motor vehicles | 4 to 10 years |
| • Computers | 3 to 5 years |

The Windsor Forest Colleges Group

Notes to the Financial Statements

For the year ended 31 July 2023

Impairment of fixed assets

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

Where improvements to land and buildings are made with the aid of specific grants they are capitalised and depreciated as above.

The related government grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred. Borrowing costs which are directly attributable to the acquisition, construction or production of freehold buildings are added to the cost of those properties until such a time as those properties are ready for their intended use.

Leased assets

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Stocks

Stock is stated at the lower of its cost and estimated selling price less costs to complete and sell. Where necessary, provision is made for obsolete and slow-moving items.

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover approximately 0.5% of 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.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if that 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 a maturity of three months or less from the date of acquisition.

Provisions and contingent liabilities

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

Where the effect of the time value for money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as finance cost in the statement of comprehensive income in the period it arises.

The Windsor Forest Colleges Group

Notes to the Financial Statements

For the year ended 31 July 2023

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

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

Financial Instruments

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest. Concessionary loans are initially measured at transaction price being the amounts received and subsequently measured at amortised cost.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support. 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- When assets or liabilities are acquired, these are measured at a fair value that reflect the conditions at the date of acquiring.

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

Other key sources of estimation uncertainty:

- Tangible fixed assets

Tangible fixed assets 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 obligation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension obligation. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation.

- Merger accounting

BCA and TWFCG legally merged on 1 August 2022, under a Type B merger with TWFCG remaining as the name of the College Group. As such the comparatives for this set of financial statements have been prepared by combining the financial statements for the year ended 31 July 2022 for the separate entities to show the combined position for the year ended 31 July 2022.

There has been one change to align accounting policies:

Equipment costing less than £5,000 per individual item is written off to the statement of comprehensive income in the period of acquisition. Prior to the merger BCA applied a threshold of £1,000.

2 Funding council grants

	2023	2022
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency -Adult Education Budget	2,641	2,451
Greater London Authority Grant - Adults	445	233
Education and Skills Funding Agency - 16-18	27,633	26,487
Education and Skills Funding Agency - apprenticeships (funded)	2,114	1,522
Office for Students - HE	51	50
Specific Grants		
Education and Skills Funding Agency - non-recurrent grants	1,207	1,394
Education and Skills Funding Agency - Covid Response Funding		9
Releases of government capital grants	1,421	1,355
Total	35,512	33,501

In the prior year, the College was eligible to claim additional funding during the year from government support schemes in response to the Coronavirus outbreak.

The funding received through the COVID-19 testing grant covered costs incurred by the College of £nil (2022: £9,000).

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

2 Funding council grants (continued)

During the year, the College received grant income relating to higher education courses at Level 4 and above as follows;

	2023	2022
	£'000	£'000
Grant income from the OfS	51	50
Fee income for taught awards (exclusive of VAT)	490	496
Total	541	546

3 Tuition fees and education contracts

	2023	2022
	£'000	£'000
Adult education fees	739	873
Apprenticeship fees and contracts	67	44
Fees for FE loan supported courses	175	304
Fees for HE loan supported courses	490	496
Other fees		44
Total tuition fees	1,471	1,761
Education contracts	2,456	2,009
Total	3,927	3,770

4 Other grants and contracts

	2023	2022
	£'000	£'000
Other grants and contracts	691	233
Total	691	233

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

5 Other income

	2023 £'000	2022 £'000
Catering and residences	668	750
Other income generating activities	489	477
Estate income	97	141
Miscellaneous income	1,257	1,771
Total	2,511	3,139

6 Investment income

	2023 £'000	2022 £'000
Other interest receivable	235	27

7 Donations

	2023 £'000	2022 £'000
Unrestricted donations	12	11

8 Staff costs and key management personnel remuneration

The average number of persons (including key management personnel) employed by the College during the year, described as average headcount and calculated on a monthly basis, was:

	2023 No.	2022 No.
Teaching staff	540	474
Non teaching staff	339	427
	879	901

Staff costs for the above persons

	2023 £'000	2022 £'000
Wages and salaries	21,210	20,079
Social security costs	2,078	1,761
Other pension costs (note 24)	5,467	6,975
Payroll sub total	28,755	28,815
Contracted out staffing services	1,411	1,102
	30,166	29,917
Fundamental restructuring costs - contractual	116	295
Fundamental restructuring costs - non contractual	20	5
Total staff costs	30,302	30,217

Included within the £1.411,000 of contracted out staff services is £324,000 of temporary support staff costs arising as a result of the merger.

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

8 Staff costs (continued)

Severance payments

The college paid 9 severance payments in the year, disclosed in the following bands:

0 - £25,000	6
£25,001 - £50,000	3
£50,001 - £100,000	0
£100,001 - £150,000	0
£150,001+	0

3 of the 9 staff referred to above were made redundant. Included in staff restructuring costs are special severance payments totalling £20,000 (2022 - £Nil). Individually, the payments were £11,135, £3,255 and £6,000.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises those individuals listed on page 1. Staff costs include compensation paid to key management personnel for loss of office.

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officers was:	<u>12</u>	<u>17</u>

The number of other staff who received emoluments (on a paid basis), excluding pension contributions but including benefits in kind, in the following ranges was:

	Other staff 2023 No.	2022 No.
£60,001 to £65,000	2	
£65,001 to £70,000	1	1
£75,001 to £80,000		1
£80,001 to £85,000		
	<u>4</u>	<u>2</u>

Not included in the above were 2 other staff members who worked part time during the year. Both were paid under £60,000; the full-time equivalent emoluments would have been between £60,000 to £65,000 (2022: none).

Key management personnel emoluments (including the Accounting Officer) are made up as follows:

	2023 £ '000	2022 £ '000
Basic Salary	947	1,176
Employer's National Insurance	124	147
Benefits in kind	4	5
Pension contributions	219	<u>284</u>
Total emoluments	<u>1,294</u>	<u>1,612</u>

**The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023**

8 Staff costs (continued)

The pension contributions included above are the contributions payable by the College in respect of the individuals included in key management personnel. Additional amounts included in the Statement of Comprehensive Income related to the measurement required under Section 28 of FRS 102 for defined benefit schemes relating to service costs and interest costs are not included above.

There were no salary sacrifice arrangement in place in the year.

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

	2023	2022
	£'000	£'000
Basic salary	162	150
Benefits in kind	1	
Pension contributions	38	36
	<u>201</u>	<u>186</u>

In the prior year in Berkshire College of Agriculture, A Entwistle was the Accounting Officer and the highest paid member of staff. Following the merger of The Windsor Forest Colleges Group with Berkshire College of Agriculture on 1 August 2022, G May was the highest paid member of staff for the merged colleges which has been reflected in the table above. A Entwistle resigned as Accounting Officer on 1 August 2022 and her remuneration for the year ended 31 July 2022 was £102,000, benefits in kind of £ 1,000 and pension contributions of £24,000.

The governing body adopted the AoC's Senior Staff Remuneration Code for Senior Postholders in December 2020 and will continue to assess pay in line with its principles in future.

The remuneration package of Senior Postholders, including the Group Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

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

**The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023**

8 Staff costs (continued)

Relationship of Group Principal and CEO's pay and remuneration expressed as a multiple

	2023	2022
Combined Group Principal and CEO's basic salary as a median of all staff	6.10	5.11
Combined Group Principal and CEO's total remuneration as a multiple of the median of all staff	6.10	5.11

The prior year figure for the relationship of the Group Principal and CEO's pay and remuneration expressed as a multiple has been taken as an average of the median from both The Windsor Forest Colleges Group of 4.21 and Berkshire College of Agriculture of 6.

Compensation for loss of office paid to former key management personnel

	2023 £'000	2022 £'000
Compensation paid to former post-holder	56	77
Estimated value of other benefits, including provisions for pension benefits		
Total	<u>56</u>	<u>77</u>

All severance payments were approved by the College's Remuneration Committee.

Governors' remuneration

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.

The accounting officers and staff members only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors.

Details of expenses paid to or on behalf of the Governors are disclosed in note 24.

9 Other operating expenses

	2023 £'000	2022 £'000
Teaching costs	3,199	1,824
Non-teaching costs	5,273	5,473
Premises costs	2,845	2,145
Exceptional Merger Costs	449	255
Total	<u>11,766</u>	<u>9,697</u>

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

9 Other operating expenses (continued)

Other operating expenses include:

	2023	2022
	£'000	£'000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit fees:		
Audit of college	45	32
Other assurance seNices	2	8
Other non-audit seNices	15	8
Fees payable to Buzzacott LLP and its associates in respect of both audit and non-audit fees:		
Audit of college		28
Other assurance seNices		1
Fees payable to Mazars LLP and its associates in respect of both audit and non-audit fees:		
Internal audit	21	21
Hire of assets under operating leases	145	191
	<hr/>	<hr/>

10 Interest payable

	2023	2022
	£'000	£'000
On bank loans, overdrafts and other loans:	34	105
Pension finance costs (note 24)	489	789
	<hr/>	<hr/>
Total	523	894
	<hr/>	<hr/>

11 Taxation

The members do not believe the college was liable for any corporation tax arising out of its activities during either the current or prior year.

12 Intangible fixed assets

	Business goodwill
	£'000
Cost	
At 1 August 2022 and 31 July 2023	<hr/> 39
Amortisation	
At 1 August 2022	16
Charge for the year	4
	<hr/>
At 31 July 2023	<hr/> 20
Net book value at 31 July 2023	<hr/> 19
Net book value at 31 July 2022	<hr/> 23

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

13 Tangible fixed assets

	Land and buildings Freehold £'000	Land and buildings Leasehold £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation					
At 1 August 2022	98,899	22,460	14,676	6	136,041
Additions	877		1,995	25	2,897
Transfers	31			31	
	99,807	22,460	16,671		138,938
At 31 July 2023	<hr/>				
Depreciation					
At 1 August 2022	28,262	2,329	11,010		41,601
Charge for the year	2,236	444	1,415		4,095
	30,498	2,773	12,425		45,696
At 31 July 2023					
	69,309	19,687	4,246		93,242
Net book value at 31 July 2023	<hr/>				
	70,637	20,131	3,666	6	94,440
Net book value at 31 July 2022	<hr/>				

Land and buildings for the Langley & Windsor campuses were valued in 1997 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice. If fixed assets had not been re-valued they would have been included at the following historical amounts: Cost £nil, Aggregate depreciation based on cost £nil.

Land and buildings include assets that have been partly financed by exchequer funds with a net book value of £39,865,000 (2022: £40,731,000). Should these assets be sold, the College may be liable, under the terms of its Financial Memorandum, to surrender the proceeds.

14 Fixed asset investments

The College owns 100 per cent of the issued ordinary £1 shares of SCA Landbase Limited, a company incorporated in England and Wales. This company is dormant and is therefore carried in the financial statements at a net book value of £nil (2022: £nil). Original cost was £2,000.

15 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade receivables	140	232
Prepayments and accrued income	1,211	528
Amounts owed by the ESFA		66
Other Debtors	17	<u>695</u>
Total	<u>1,368</u>	<u>1,521</u>

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

16 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank loans and overdrafts		213
Trade payables	797	360
Other loans (current)	251	201
Other taxation and social security	530	469
Accruals and deferred income	2,216	2,903
Deferred income - government capital grants	1,375	1,355
Amounts owed to the ESFA	642	661
Amounts owed to the GLA		269
	<hr/>	<hr/>
Total	5,811	6,431
	<hr/>	<hr/>

17 Creditors: amounts falling due after one year

	2023	2022
	£'000	£'000
Bank loans		1,120
Other loans	895	1,146
Deferred income - government capital grants	28,216	26,834
	<hr/>	<hr/>
Total	29,111	29,100
	<hr/>	<hr/>

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

18 Maturity of debt

Bank loans, other loans and overdrafts

Bank loans, other loans and overdrafts are repayable as follows:

	2023	2022
	£'000	£'000
In one year or less	251	414
Between one and two years	235	391
Between two and five years	660	1,020
In five years or more		<u>855</u>
Total	<u>1,146</u>	<u>2,680</u>

	Loan 1	Loan 2	Loan 3	Loan 4	TOTAL
	£'000	£'000	£'000	£'000	
Principal outstanding at 31 July 2022 and repaid 1 August 2022	36	133	780	384	1,333
Accrued interest at 31 July 2022	1	2	2		6
Funding break cost		2	118	9	129
Total	<u>37</u>	<u>137</u>	<u>900</u>	<u>394</u>	<u>1,468</u>
Fixed interest rate	5.730%	6.050%	5.690%	5.033%	
Original repayment date	Aug-22	Aug-23	Jul-33	Apr-30	

The College has a loan of £1,100,000 from the DfE. The loan is repayable in instalments to July 2028 commencing in October 2021. At the year end, £220,000 (2022: £170,000) and £880,000 (2022: £1,100,000) were included within other loans due within one year and after one year respectively.

The loan with the DfE above is secured by fixed charges over the freehold property of the College.

The College previously secured a Salix Energy Efficiency Loan of £154,000, provided for energy efficiency improvements. The loan does not bear any interest and is repayable in instalments to November 2024. At the year end, £31,000 (2022: £31,000) and £15,000 (2022: £46,000) were included within other loans due within one year and after one year respectively.

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

19 Provisions

	Defined benefit Obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2022	15,523	350	15,873
Expenditure in the period	(2,283)	(43)	(2,326)
Transferred to income and expenditure account	(6,447)	<u>(19)</u>	<u>(6,466)</u>
At 31 July 2023	<u>6,793</u>	<u>288</u>	<u>7,081</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension Scheme. Further details are given in note 23.

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	5.0%	2.90%
Discount rate	2.80%	3.30%

20 Cash and cash equivalents

	At 1 August £'000	Cash flows £'000	Other £'000	At 31 July £'000
Cash and cash equivalents	<u>8,923</u>	<u>(2,027)</u>	<u> </u>	6,896
Bank loans	(213)	213	<u> </u>	<u> </u>
Other loans	<u>(201)</u>	<u>201</u>	<u>(251)</u>	<u>(251)</u>
Debt due within 1 year	(414)	414	(251)	(251)
Bank loans	(1,120)	1,120	<u> </u>	<u> </u>
Other loans	<u>(1,146)</u>	<u> </u>	<u>251</u>	<u>(895)</u>
Debt due after 1 year	(2,266)	1,120	<u>251</u>	<u>(895)</u>
Total net debt	<u>6,243</u>	<u>(493)</u>	<u> </u>	<u>5,750</u>

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

21 Capital commitments

	2023	2022
	£'000	£'000
Commitments contracted for at 31 July	<u> </u>	<u>166</u>

22 Lease Obligations

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

	2023	2022
	£'000	£'000
Payments due		
Not later than one year	75	82
Later than one year and not later than five years	<u>126</u>	<u>115</u>
Total	<u>201</u>	<u>197</u>

The College as a lessor:

At the year-end, the College had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease receipts:

	2023	2022
	£'000	£'000
Payments due		
Not later than one year	207	210
Later than one year and not later than five years	828	828
After five years	<u>224</u>	<u>431</u>
Total	<u>1,259</u>	<u>1,469</u>

The operating leases represent leases of the basement and top floor of the Grade I listed Mansion and the lease of four residential blocks. The leases for the basement of the Mansion and residential blocks are negotiated until 31 August 2039. Either party has the option to exercise a break clause on 1 September 2029 or 1 September 2034.

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

23 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 Berkshire Local Government Pension Scheme (LGPS for non-teaching staff, which is managed by the Royal Borough of Windsor & Maidenhead (RBWM). Both are multi-employer defined-benefit plans.

Total pension cost for the year	2023 £'000	2022 £'000
Teachers' Pension Scheme: contributions paid	2,563	2,273
Local Government Pension Scheme (RBWM):		
Contributions paid	2,283	1,933
FRS 102 (28) charge	536	2,739
Charge to the Statement of Comprehensive Income	2,819	4,672
Enhanced pension charge to Statement of Comprehensive Income	43	30
Total Pension Cost for Year	5,425	6,975

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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £571,000 (2022: £212,000) were payable to the scheme at 31 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. 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. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation and subsequent consultation are:

Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion.

Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion.

Notional past service deficit of £39.8 billion (2016 £22 billion).

Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance)).

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

23 Defined benefit obligations (continued)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2022-23 academic year, and currently through to July 2024. The pension costs paid to TPS in the year amounted to £2,563,000 (2022: £2,273,000).

Local Government Pension Scheme - Berkshire Pension Fund

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by RBWM Local Authority. The total contributions made for the year ended 31 July 2023 were £2,834,000 (2022: £2,426,000), of which employer's contributions totalled £2,283,000 (2022: £1,933,000) and employees' contributions totalled £551,000 (2022: £518,000). The agreed contribution rates for future years are 27.1% (2022: 17.3-25.4%) for employers and range from 5.5%% (2022: 5.5%) to 12.5%% (2022: 12.5%) for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund are at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.85%	3.75%
Future pensions increases	2.85%	2.75%
Discount rate	5.15%	3.40%
Inflation assumption {CPI}	2.85%	2.75%

The valuation has been allowed for actual pension increase experience for the period to 31st July 2023. This assumes that pension increases are in line with the annual pension increase set by the Treasury Revaluation Order. The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2023 years	At 31 July 2022 years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	25.0	25.3

**The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023**

23 Defined benefit obligations (continued)

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

	Fair Value at 31 July 2023	Fair Value at 31 July 2022
	£'000	£'000
Equities	31,465	29,500
Cash	749	772
Credit	5,700	7,361
Real estate	5,263	6,319
Longevity Insurance	(2,203)	(2,085)
Infrastructure	6,361	5,077
Total fair value of plan assets	47,335	46,944
Actual return on plan assets	(552)	3,654

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

	2023	2022
	£'000	£'000
Fair value of plan assets	47,335	46,944
Present value of plan liabilities	(54,128)	(62,463)
Net pensions liability	(6,793)	(15,519)

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

Amounts included in staff costs	2023	2022
	£'000	£'000
Current service cost	2,776	4,637
Administration expenses	43	35
Total	2,819	4,672

Amounts included in investment interest payable	2023	2022
	£'000	£'000
Net interest on the net defined benefit pension liability	489	789

Amounts recognised in Other Comprehensive Income	2023	2022
	£'000	£'000
Return on pension plan assets	(2,271)	2,966
Change in financial assumptions	24,496	34,493
Change in demographic assumptions	1,568	1,049
Experience gain on defined benefit obligation	(7,738)	(245)
Other actuarial losses on assets	(6,300)	
Amount recognised in other comprehensive income	9,755	38,263

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

23 Defined benefit obligations (continued)

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	62,467	92,984
Current SeNice cost	2,776	4,632
Interest cost	2,208	1,477
Contributions by Scheme participants	551	518
Actuarial loss	(18,326)	(35,297)
Past seNice costs		5
Estimated benefits paid	4,452	(1,852)
	<u>54,128</u>	<u>62,467</u>
Defined benefit obligations at end of period	54,128	62,467
Changes in fair value of plan assets		
Fair value of plan assets at start of period	46,944	42,726
Interest on plan assets	1,719	688
Return on plan assets (excluding net interest on the net defined benefit liability)	(2,271)	2,966
Other actuarial losses	(6,300)	
Administration expenses	(43)	(35)
Employer contributions	2,283	1,933
Contributions by Scheme participants	551	518
Estimated benefits paid	4,452	(1,852)
	<u>47,335</u>	<u>46,944</u>
Fair value of plan assets at end of period	47,335	46,944

24 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 a *Governor* during the year was £86. In the prior year, total expenses paid to Governors were £517. This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2022: None).

During the year, the College received rental income of £2,698 (2022: £3,043) in respect of a resident on campus who acts as a Governor. There were no amounts outstanding in relation to this arrangement at the year end.

Key management compensation disclosure is given in note 8.

The Windsor Forest Colleges Group
Notes to the Financial Statements
For the year ended 31 July 2023

25 Amounts disbursed as agents

Learner support funds

	2023	2022
	£'000	£'000
Balance unspent as at 1 August, included in creditors	46	129
Funding body grants - ESFA 16-19	433	459
Funding body grants - residential bursaries		(21)
Other funding body grants	87	
	<u>566</u>	<u>567</u>
Disbursed to students	(493)	(649)
Administration costs	<u>(7)</u>	<u>(21)</u>
	66	(103)

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

26 Merger

Type B Merger with Berkshire College of Agriculture

On 1 August 2022 The Windsor Forest Colleges Group completed a 'Type B' merger with Berkshire College of Agriculture. This results in all of the assets, liabilities, staff and students from Berkshire College of Agriculture transferring to The Windsor Forest Colleges Group and carrying on that name. These financial statements have been prepared using merger accounting principles, which mean that the comparative values are restated by including the results for the merged Colleges for their previous accounting period and their balance sheets for the previous year end date. The Colleges have been combined for the entirety of the current accounting period.

There has been one change to align accounting policies:

Equipment costing less than £5,000 per individual item is written off to the statement of comprehensive income in the period of acquisition. Prior to the merger BCA applied a threshold of £1,000.

Analysis of the prior year's total comprehensive income and net assets

	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'000
	The Windsor Forest Colleges Group	Berkshire College of Agriculture	Combined
Total Comprehensive Income	<u>21,459</u>	<u>12,810</u>	<u>34,269</u>
Net assets on merger	<u>45,227</u>	<u>8,389</u>	<u>53,616</u>

The Windsor Forest Colleges Group For the year ended 31 July 2023

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF THE WINDSOR FOREST COLLEGES GROUP AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 13 June 2023 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by The Windsor Forest Colleges Group during the period 1 August 2022 to 31 July 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 01 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

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. We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

Responsibilities of Corporation of The Windsor Forest Colleges Group for regularity

The Corporation of The Windsor Forest Colleges Group is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of The Windsor Forest Colleges Group is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

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.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 01 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.

The Windsor Forest Colleges Group

For the year ended 31 July 2023

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions. This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to the Corporation of The Windsor Forest Colleges Group and the Secretary of State for Education acting through 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 The Windsor Forest Colleges Group and the Secretary of State for Education acting through 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 The Windsor Forest Colleges Group and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

'RSM UK Audit LL?

RSM UK AUDIT LLP

Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Date: 25 July 2024