

CARDIFF AND VALE COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS

19 LEASE OBLIGATIONS

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

	2022		2021	
	Consolidated £'000	College £'000	Consolidated £'000	College £'000
Land and Buildings				
Not later than one year	1,195	683	1,297	718
Later than one year and not later than five years	3,293	1,617	2,005	1,792
Later than five years	4,036	4,036	4,493	4,493
	-----	-----	-----	-----
	8,524	6,336	7,795	7,003
	-----	-----	-----	-----
Other				
Not later than one year	173	82	159	45
Later than one year and not later than five years	218	164	117	12
	-----	-----	-----	-----
	391	246	276	57
	-----	-----	-----	-----

20 PENSION PROVISIONS

The Group operates the following pension schemes:

- the Cardiff and Vale of Glamorgan Pension Fund (C&VFP), a defined benefit scheme operating under the Local Government Pension Scheme (LGPS);
- the Teachers' Pension Scheme (TPS), a defined benefit scheme;
- the National Employment Savings Trust (NEST) pension scheme, a defined contribution scheme;
- the Scottish Widows pension scheme, a defined contribution scheme;
- the St James's Place Wealth Management scheme, a defined contribution scheme;
- Legal & General, a defined contribution scheme; and
- Aviva, a defined contribution scheme.

Consolidated

	2020		2021	
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		3,775		3,400
Local Government Pension Scheme:				
Contributions paid	1,850		1,730	
Non-cash charge arising from actuarial valuation	<u>3,920</u>		<u>3,480</u>	
		5,770		5,210
Enhanced pension charge (see note 21)		6		7
Defined contribution schemes: contributions paid		483		495
		-----		-----
Total pension cost for the year within staff costs		10,034		9,112
		-----		-----

CARDIFF AND VALE COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS

20 PENSION PROVISIONS (continued)

College		2022		2021
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		3,775		3,400
Local Government Pension Scheme:				
Contributions paid	1,850		1,730	
Non-cash charge arising from actuarial valuation	<u>3,920</u>		<u>3,480</u>	
		5,770		5,210
Enhanced pension charge (see note 21)		6		7
Total pension cost for the year within staff costs		9,551		8,617

The pension costs for the defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation was 31 March 2016 for the TPS, and 31 March 2019 for the C&VPF.

At 31 July 2022 contributions amounting to £689,000 (2021: £625,000) were payable to the schemes and are included within creditors.

Teachers' Pension Scheme

Overview

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Treasury under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

CARDIFF AND VALE COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS

24 AGENCY RECEIPTS AND PAYMENTS (Continued)

Apprenticeship Employer Incentive Programme

During the year the College and subsidiary companies ACT and ALS participated in the Welsh Government's Apprenticeship Employer Incentive Programme, whereby the Welsh Government provided financial incentives for employers to recruit apprentices. Funding claimed by the College group through the scheme, and corresponding incentive payments made to employers, are shown below.

	2022	2021
	£'000	£'000
Balance at 1 August	-	7
Incentive payments received	1,532	244
Incentive payments made to employers	1,487	(251)
	-----	-----
Balance at 31 July	45	-
	=====	=====

Young Recruits Programme

During the year the College participated in the Welsh Government's Young Recruits Programme (YRP), an initiative which aimed to incentivise employers to recruit additional apprentices (aged 16-24) by providing a wage subsidy. The initiative is no longer open to new participants, and any grant money drawn down by the College and not claimed by the employer will be repaid to the Welsh Government. The total amount repaid to the Welsh Government in the year ended 31 July 2022 was £nil (2021: nil).

25 RESTRICTED RESERVE

The restricted reserve of £1,525,000 (2021: £1,525,000) represents the accumulated income and expenditure reserve of the Vale of Glamorgan Training Association (VGTA) on merger with Barry College on 31 July 2010. A condition of the merger, as set out in the transfer deed, is that the assets of the VGTA, including the reserves transferred to the College, will be used exclusively for the charitable objective of the VGTA – *to advance the vocational preparation and training and the education of young people and adults.*