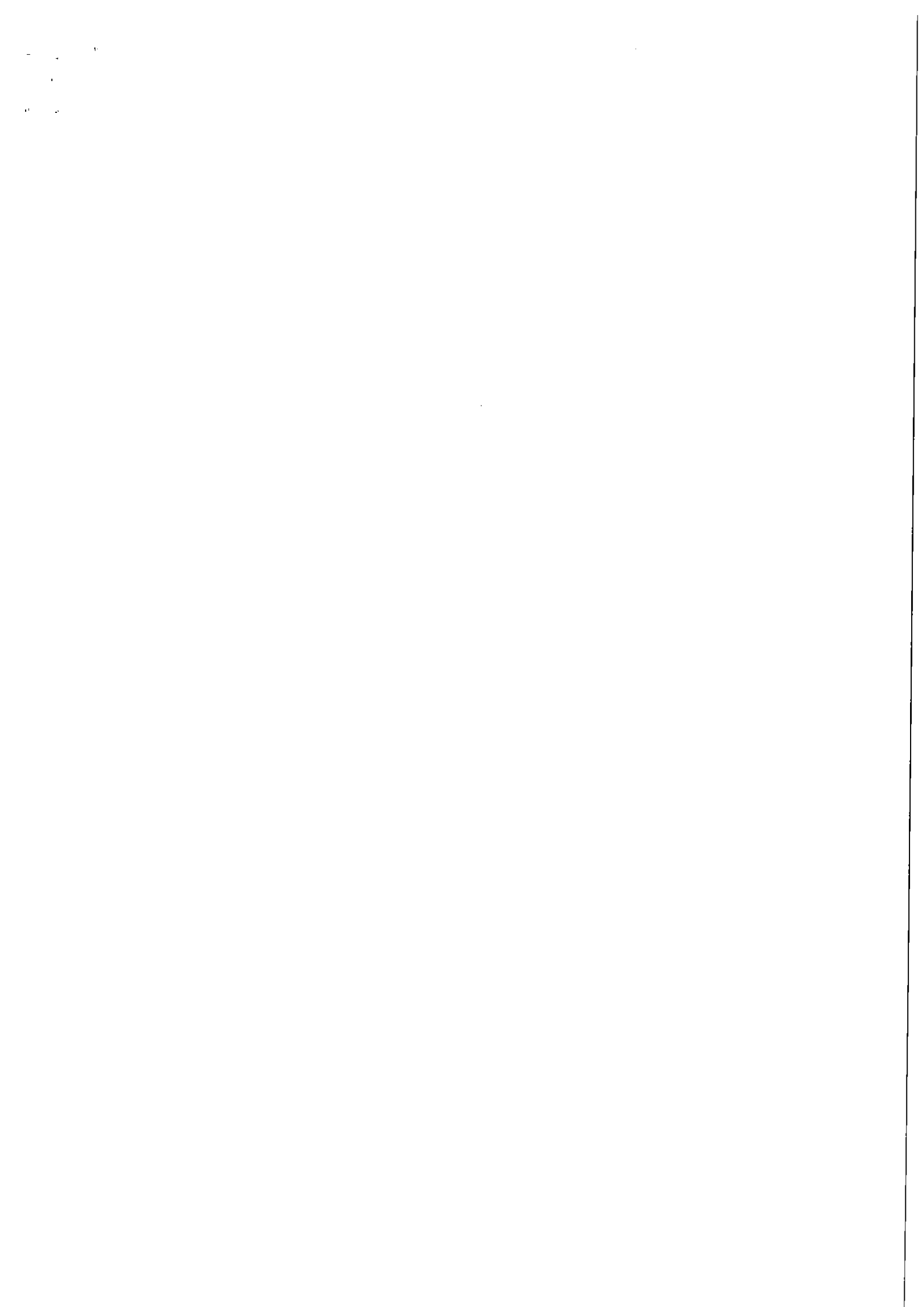


Oxford and Channon Miller O-11-



Members' report and financial statements

Page	Contents
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2	Members' report
---	-----------------

12	Statement of financial activities
----	-----------------------------------

13	Balance sheet
----	---------------

14	Notes to the financial statements
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Members' report

Operating and Financial Review

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2012.

Legal Status

The Corporation was established by the Secretary of State for Education and Skills on 1 April 2003 under the provisions of the Further and Higher Education Act 1992 for the purpose of conducting the business of Oxford and Cherwell College. On 1 August 2003, the property, rights and liabilities of Oxford College of Further Education, North Oxfordshire College and Rycotewood College were transferred to Oxford and Cherwell College, a further education corporation incorporated for the purposes of running the activities of these three Colleges on a merged basis. At the date of merger, responsibility for the financial operations of the three former Colleges passed to the Governors and management of Oxford and Cherwell College.

On 17th August 2005 the College changed its name to Oxford and Cherwell Valley College (OCVC)

Operating and Financial Review *(continued)*

Strategic Priorities *(continued)*

Customer Experience

- To develop our systems, processes and people so that we captivate our customers with an outstanding experience.

Efficiency and Stewardship

- To have good financial health, be highly commercial and care for the environment.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Developments

Reading College

... with the Learning and Skills Network (LSN)

Operating and Financial Review *(continued)*

Financial position

Financial results

The income and expenditure account on page 16 consolidates the results of OCVC and Reading College. The breakdown of the income and expenditure by College is analysed below:

	OCVC	Reading College	Group
	£000	£000	£000
Total income	32,965	19,678	52,643

Operating and Financial Review *(continued)*

Student numbers

The College had 20,362 learners in the period (2010/11: 17,806).

Achievements

Operating and Financial Review *(continued)*

Disability statement *(continued)*

- b there is a list of specialist equipment, lighting for audio facilities, etc, which the College can make available for use by students;
- c the admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy;
- d the College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff

Statement of Corporate Governance and Internal Control

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in June 2010. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the governors, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July

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

Name	Date of	Term of	Date of	Status of	Committees Served
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Statement of Corporate Governance and Internal Control *(continued)*

There is a clear division of responsibility in that the roles of the Chairman of the Corporation and Principal of the College are separate.

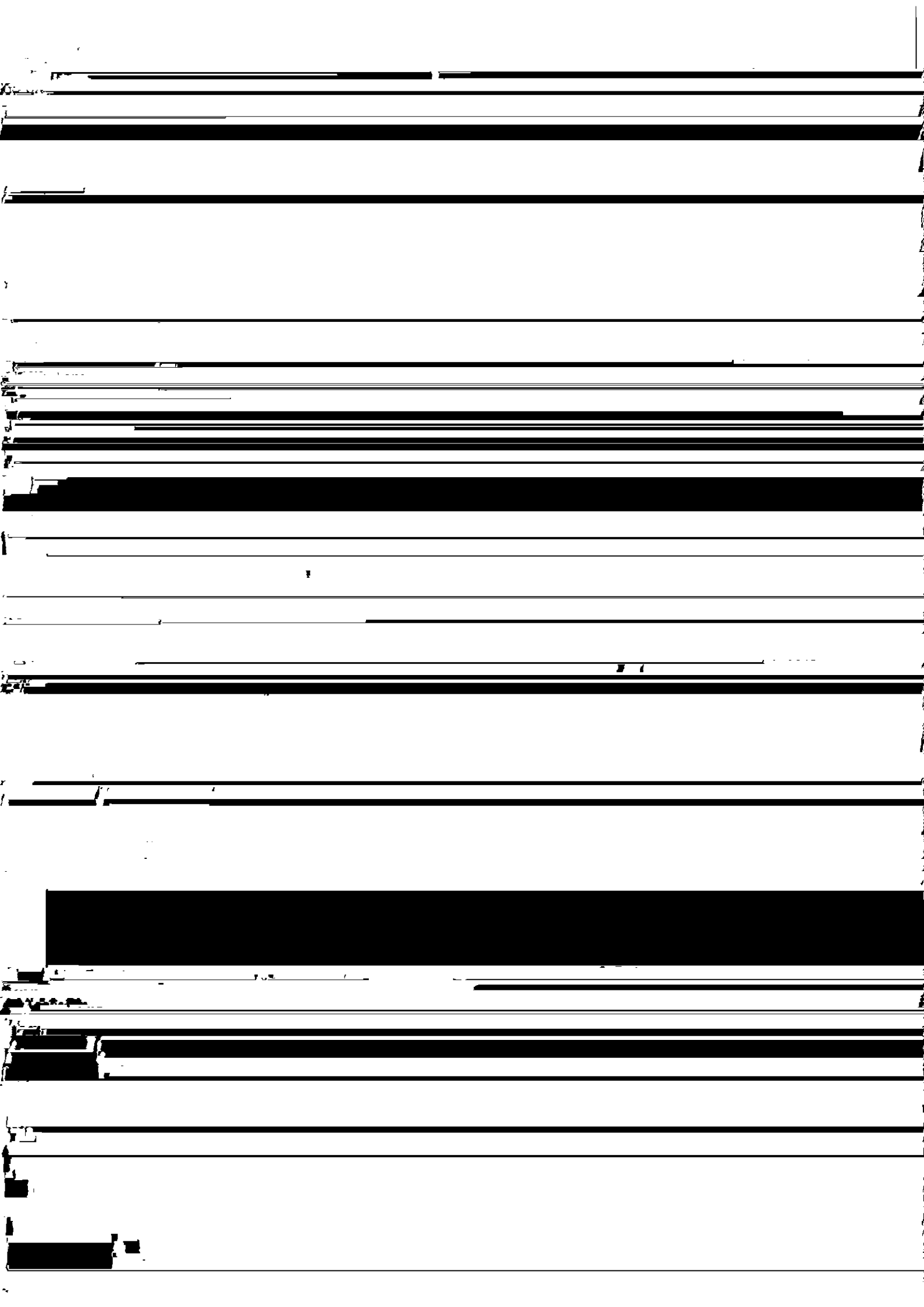
Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a search committee which is responsible for the selection and nomination of

Statement of Corporate Governance and Internal Control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process



Statement of the responsibilities of the members of the Corporation

The members of the Corporation of the College are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum between the Skills Funding Agency and the Corporation of the College, the Corporation, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice –

Independent auditor's report to the Corporation of Oxford and Cherwell Valley College

We have audited the Group and College financial statements ("the financial statements") of Oxford and Cherwell Valley College ("the College") for the year ended 31 July 2012 set out on pages 16 to 38. The

Consolidated Income and expenditure account
for the year ended 31 July 2012

		2012	2011
	Note	£'000	£'000
Income			
Funding Council Income	2	43,853	44,517
Tuition fees and education contracts	3	5,583	5,683
Other income		3,200	4,690

Consolidated statement of historical cost surpluses and deficits
for the year ended 31 July 2012

	Note	2012 £'000	2011 £'000
Surplus / (deficit) on continuing operations after depreciation of assets at valuation and tax	18	1,436	(431)
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	17	218	218

Balance sheets
 as at 31 July 2012

	Note	Group 2012 £'000	College 2012 £'000	Group 2011 £'000	College 2011 £'000
Fixed assets	10	10,000	12,264	10,127	21,070

for the year ended 31 July 2012

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Notes *(continued)*

1. Statement of accounting policies *(continued)*

Recognition of income *(continued)*

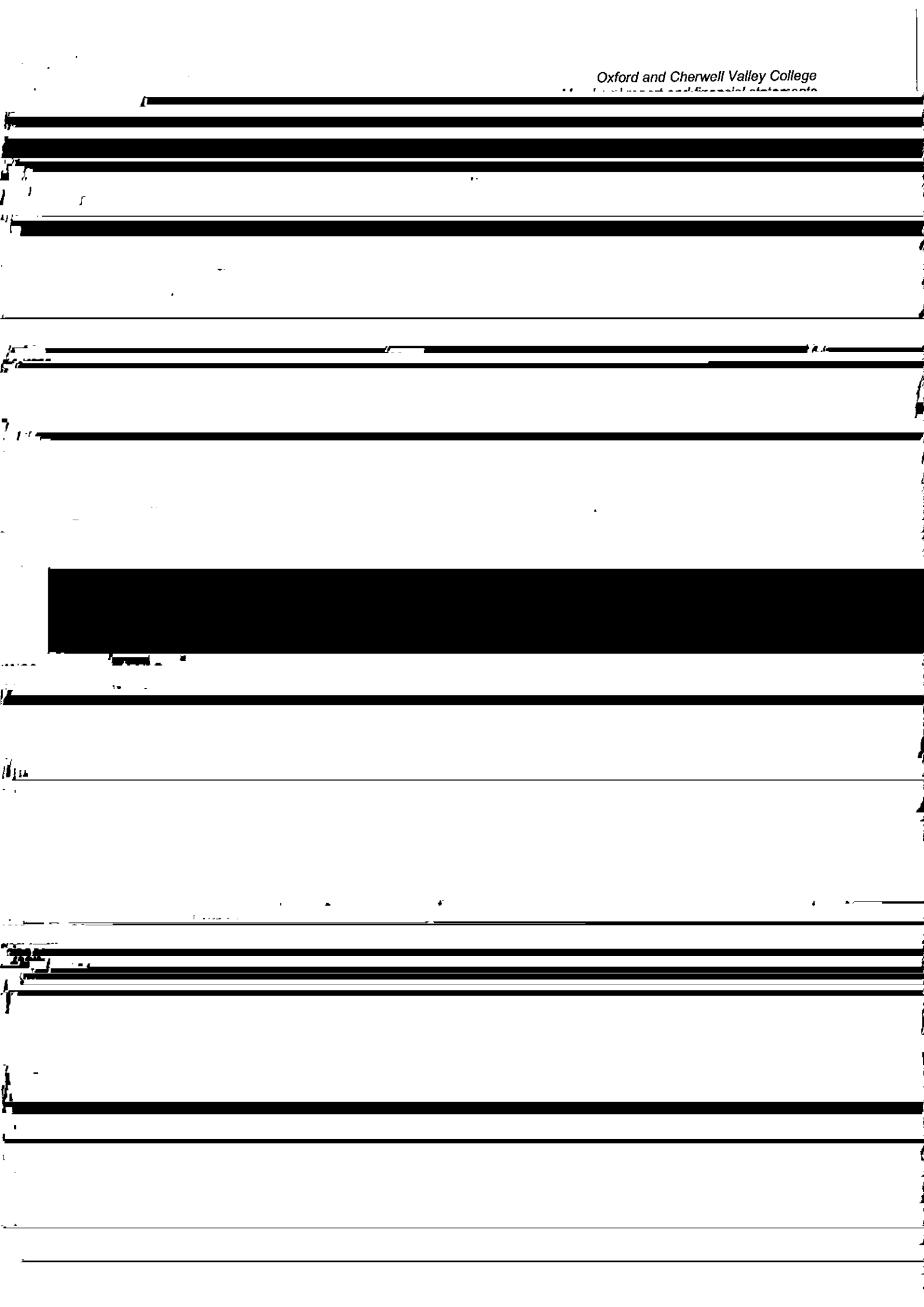
Income from grants, contracts and other services rendered is included to the extent of the completion of

Notes (continued)

1. Statement of accounting policies (continued)

Tangible Fixed Assets (continued)

Assets which are held under hire purchase contracts which have the characteristics of finance leases are



Notes (continued)

8 Interest payable

	2012 £'000	2011 £'000
On bank loans and overdrafts:		

Notes (continued)

10 Tangible fixed assets (continued)

The transitional rules set out in FRS 15 *Tangible Fixed Assets* have been applied. Accordingly the book

Notes (continued)

Notes *(continued)*

Notes (continued)

19 Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered

Notes (continued)

19 Pensions and similar obligations (continued)

	2012 £'000	2011 £'000
24	22,781	22,782

Notes (continued)

19 Pensions and similar obligations (continued)

Movement in deficit during year

	2012 £'000	2011 £'000
Deficit in scheme at beginning of year	(9,262)	(9,917)
Movement in year:		
Current service charge	(1,741)	(1,306)

Notes (continued)

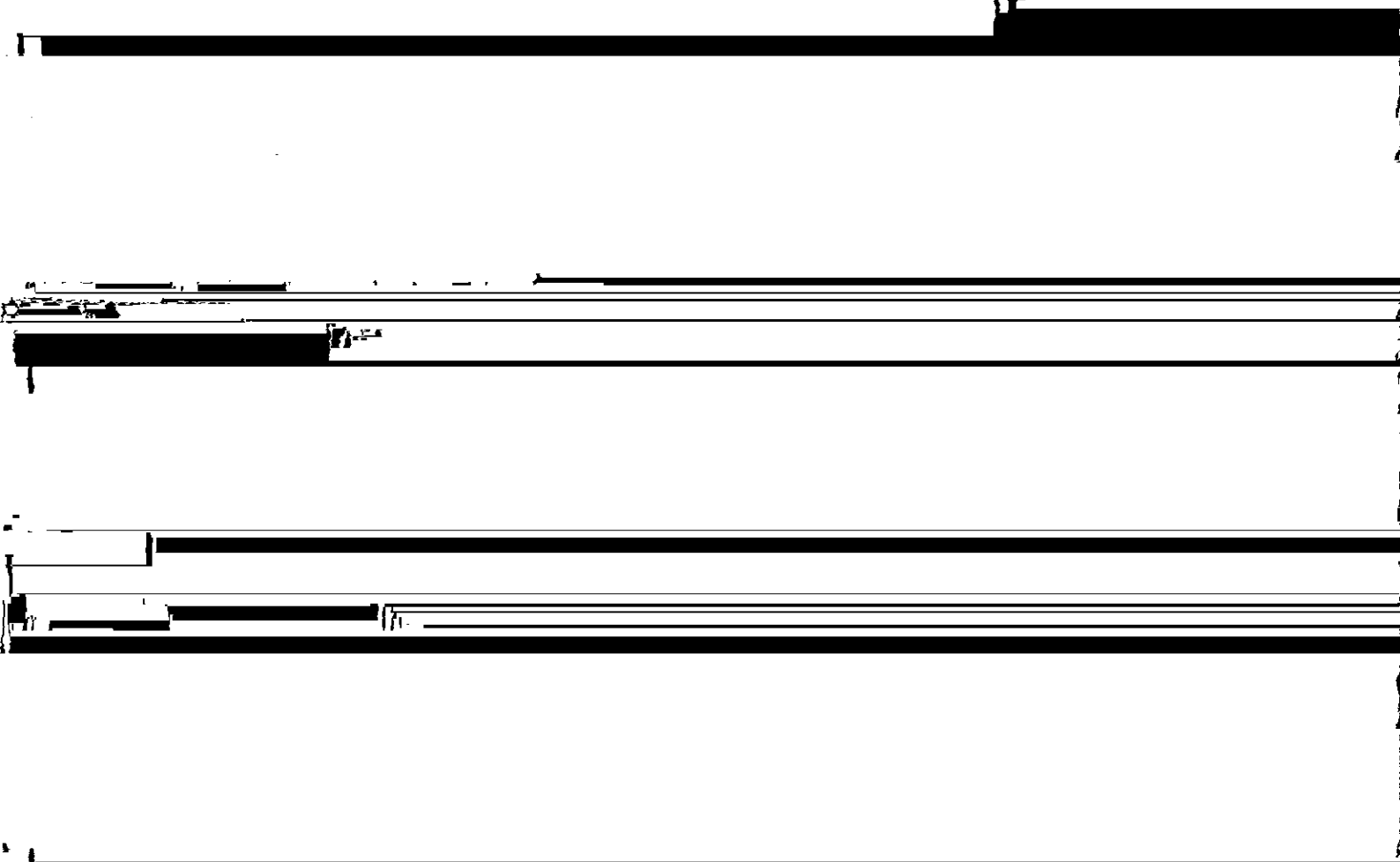
19 Pensions and similar obligations (continued)

History of experience gains or losses

	2012	2011	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on assets: Amount	(1,305)	(1,760)	1,566	(2,800)	(1,690)
% of scheme assets	-5.5%	-7.8%	8.9%	-19.8%	-11.0%
Experience gains and losses on scheme liabilities					
Amount	(3)	4,244	(11)	(60)	650
% of scheme liabilities	(0.0%)	13.3%	-0.04%	-0.2%	3.1%
Total amounts recognised in statement of total recognised gains and losses					
Amount	(5,610)	1,757	1,545	(6,220)	(910)
% of scheme liabilities			5.6%	-23.6%	-4.3%

20 Reconciliation of operating deficit to net cash flow from operating activities

2012 2011



Notes *(continued)*

26 Related party transactions

Due to the nature of the College's operations and the composition of the Board of Governors (being