

WORKING MEN'S COLLEGE CORPORATION

England & Wales · Charity number 312803

Details

Other names	WMC
Status	Registered
Legal form	Charitable company
Company number	00008994
Registered	1963-05-27
Register	View on the Charity Commission register

Contact

Address	Working Mens College 44 Crowndale Road London NW1 1TR
Phone	020 7255 4700
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Activities

Objects: TO PLACE A LIBERAL EDUCATION WITH THE REACH OF THE WORKING CLASSES BY CARRYING ON THE WORKING MEN'S COLLEGE AND SUCH OTHER SIMILAR INSTITUTIONS AS MAY BE THOUGHT ADVISABLE.

Activities: To provide diverse, enriching and enjoyable lifelong learning, including skills for work, in a supportive environment for adults in Camden and the local area. To provide an inclusive learning environment with all the support necessary to promote equality and diversity, freedom of expression and social responsibility

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£7,562,000	£7,751,000	£14,243,000	219
2024-07-31	£7,247,000	£7,316,000	£13,787,000	204
2023-07-31	£7,038,000	£7,095,000	£13,385,000	120
2022-07-31	£6,055,000	£6,285,000	£13,541,000	182
2021-07-31	£5,634,000	£5,728,000	£13,714,000	179

Trustees

Name	Role	Appointed
Joanna Davidson	Chair	2024-03-29
AMANDA BLINKHORN		2018-03-21
Alice Rebecca Rubbra		2022-03-30
Ben James Lonsdale		2024-01-01
DIEGO RABINOVICH		2026-01-27
Dipanwita Ganguli		2023-09-01
Dragana Ramsden		2026-03-16
Emeritus Professor Susan Ruth Corby		2020-07-15
Jonathan Sibson		2019-04-03
June Viviana Jarrett		2017-07-12
Max Silver		2021-03-31
Monika Kinasiewicz		2019-11-04
Natasja Giezen-Smith		2026-01-26
Peter James Knowland		2024-03-20
Thomas George Robins		2022-03-30

WORKING MEN'S COLLEGE CORPORATION

England & Wales - Charity number 312803

Accounts

**Working Men's College
Corporation**

**Annual Report and Financial
Statements**

31 July 2025

Company number 00008894

Charity registration number 312803



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Reference and administrative information

Governors	Amanda Blinkhorn Susan Corby Fran Fahey (to June 2025) Dipa Ganguli June Jarrett Monika Kinasiewicz Tom Robins Alice Rubbra Jon Sibson Max Silver Ben Lonsdale Lukas Mandangu Peter Knowland Joanna Davidson
Registered address	44 Crowndale Road London NW1 1TR
External Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Internal auditor	Scrutton Bland Fitzroy House Crown Street Ipswich Suffolk IP1 3LG
Investment Managers	BNY Mellon Limited Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA

Reference and administrative information

Bankers

Lloyds Bank
4th Floor, 25 Gresham Street
London
EC2V 7HN

Barclays Bank
Level 27, 1 Churchill Place
London
E14 5HP

Key Management Personnel

Dipa Ganguli OBE - Principal and CEO, Accounting Officer
Korede Obasaju – Vice Principal
Diana Teesdale – Deputy Principal
Lisa Marklew – Director of Learning (to July 2025)
Ziya Moustafa – Director of Learning (to July 2025)
Caroline Poole – Director of Learner Services (to July 2025)

Julie Paterson – Head of HR

David Barnes – Head of Network and IT

Ayo Ajasin – Financial Controller (from October 2024)

Jenny Tyler – Head of Marketing (from September 2024)

Tracey Gleeson – Head of Facilities

The members of the Governing Body present their report and the audited financial statements for Working Men's College Corporation for the year ended 31 July 2025.

LEGAL STATUS

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI), now known as an Institute of Adult Learning (IAL), under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and it is a registered charity. The College is subject to the legal framework governing the Further Education sector, including the rules set from time to time by the Government departments and agencies with responsibility for the sector. During 2024/25 this was the Department for Education (DfE) together with the Greater London Authority (GLA) who have provided funding to the College from 1 August 2019 under devolved funding arrangements. The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by Funding Agreements with the EFSA and the GLA. In addition, the College, as a charitable company limited by guarantee, is governed by the charitable company's memorandum and articles of association.

The College also meets the definition of a charitable company for UK corporation tax purposes as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains covered by the relevant legislation, provided that they are applied to exclusively charitable purposes.

A MESSAGE FROM WM COLLEGE PRINCIPAL/CEO

WM College, formally known as the Working Men's College is the oldest surviving adult education institution in Europe. The College was associated with the Cooperative Movement and the Christian Socialists, stemming from the same tradition that led to the establishment of the Workers Educational Association. The Working Women's College, founded 10 years later in 1864, finally merged with WM College in 1967. Early supporters of both organisations include FD Maurice, John Stuart Mill, Tom Hughes, Dante Gabriel Rossetti, John Ruskin, Ford Maddox Brown, William Morris and Octavia Hill. Originally based in Red Lion Square, the College has been in its current home at Crowndale Road, a Grade II listed building in Camden, since 1905.



The 2024-25 academic year was a landmark period for WM College, marked by a dual focus on celebrating our 170-year legacy and strategically positioning ourselves for the future. Simultaneously, we made decisive changes to ensure the College remains a relevant, sustainable, and high-quality educational provider for decades to come.

This year, we demonstrated our commitment to both our staff and learners through key achievements, while navigating the persistent challenges facing the further education sector. We are proud to present this overview of a successful year, defined by strategic growth and a steadfast dedication to our mission.

Year in Review: Highlights and Achievements

Celebrating our Legacy and Committing to Excellence

170th Anniversary Commemoration: In a significant milestone, we celebrated our deep roots in adult education with the publication of our second book 'The Working Men's College and the Tradition of Adult Education'. We also marked the occasion by the unveiling of a stunning new mosaic at the building's entrance. This celebration was acknowledged with congratulatory messages from the Prime Minister, Sir Keir Starmer, and Deputy Mayor of London, Howard Dawber.

Good Work Standard Accreditation: The College received the Mayor of London's Good Work Standard accreditation, affirming our commitment to fair and inclusive employment practices.

EDI Charter Adoption: In 2024, WM College signed the Association of Colleges EDI charter, committing to fostering a strong sense of belonging for all students and staff. Our inaugural EDI annual report was also published this year, detailing our progress and future goals.

Strategic Realignment and Financial Strength

Optimised Campus Provision: We successfully transitioned from rented premises in Kentish Town to a smaller, community-focused provision at Rhyl Primary School. This strategic move generated cost savings and deepened our community engagement by placing our services directly where they are most needed.

Diversified Income Streams: The College continued to strengthen its financial position by diversifying income sources, shifting toward full-cost learning models alongside our traditional community-based programs.

Positive External Review: In a strategic conversation with key partners, including the Department for Education, the GLA, and the FE Commissioner's office, the College received commendations for a number of areas:

- Effective partnership and engagement with the LSIP, which helped open new referral routes for learners.
- A robust financial position, particularly for an institution of our size.
- Strong support from the GLA for our delivery priorities.
- Positive achievement data, exceeding national benchmarks.
- A robust risk register and effective self-assessment reporting to the Governors.

Infrastructure and Digital Security Enhancements

Capital Investments: Long-awaited capital funding has begun to transform our historic Camden building. This year saw the refurbishment of the historic hall and the installation of new security gates at reception.

Enhanced Cyber Security: Recognising the significant threat of cyber-attacks to the sector, we invested in an internal cyber security audit by specialists Solace Global.

The College achieved a risk score of 71%, which is significantly higher than the sector average of approximately 40%.

The audit report praised the work of the IT team, validating our robust security measures.

Addressing Challenges and Looking Ahead

The year was not without its challenges. Like many in the sector, we faced funding cuts, which necessitated a difficult but necessary restructuring to align our staffing-to-income ratio with Department for Education benchmarks. This resulted in voluntary and a few compulsory redundancies. While a difficult process, these changes have made WM College a leaner and more efficient institution, better prepared to navigate future challenges.

Despite these hardships, the strength and dedication of our staff and the resilience of our learners shone through. The sector continues to face issues of underinvestment and pay disparities, but our mission to provide high-quality adult education remains more vital than ever. We will continue to explore new and efficient ways of working to ensure WM College's legacy of excellence endures.

MISSION, STRATEGIC PLAN, AND VALUES

Mission

The Corporation keeps the mission statement and strategic objectives under regular review. The mission statement was updated in 2023/24 after discussion with Governors, learners and staff. The new mission statement of the College is:

“To provide diverse and enriching lifelong learning that meets the skills needs of the local community in a supportive environment.”

Strategic Plan

The College's strategic plan, which was developed after consultation with learners, staff, key stakeholders and Governors. The plan covers a three-year period from 2024-2027. It was ratified by the Board of Governors in July 2024. The plan has five key objectives as set out below:

- 1. Quality Teaching and Learning
 - Quality teaching, learning and assessment tailored to the unique needs, experiences and goals of our learners
 - A relevant, flexible and adaptable curriculum offer
 - Implement learner centric teaching methodologies focussing on interactive and experiential learning to enhance engagement and success
 - Removing barriers that hinder learning
- 2. Curriculum development and alignment
 - Align our curriculum to the local, regional and national priorities ensuring that it considers the needs of the community, industry trend and government initiatives
 - Foster industry partnership that enable learners to gain practical experience through work experience, placements or employment opportunities
 - Effective marketing strategies, especially digital, online and through social media to attract a diverse learner population
 - Deliver essential skills to the local community which are key to navigating the challenges of life and supporting adults' life chances
- 3. Integration of Technology
 - Address the digital literacy skills needed by learners to progress in employment and life
 - Incorporate digital pedagogy into traditional teaching and learning to prepare learners to meet the demands of the modern workforce
 - Encourage a culture of security consciousness within the College to provide training to staff to enhance awareness of best practices

- Develop digital competence of learners and staff

4. Financial sustainability

- Strengthen the financial model to demonstrate effective reconciliation of public funds
- Identify relevant new funding from both local and national government and commercial income opportunities, diversifying the income streams
- Develop comprehensive budgets that identifies cost efficiency but prioritises essential activities and aligns to the College's strategic goals
- Regularly review and adjust tuition fee structures to reflect the cost of delivering education whilst remaining competitive with other providers
- Maximise both the capital value and potential future revenues from the College's existing property holdings

5. Fit for Purpose Estate

- Develop all our properties to the highest possible standards that befits their significance and tradition to host fit for purpose 21st century learning
- Any alterations or renovations of our main building should be sensitive to its architectural and historic significance, as a Grade II listed building
- Implement a robust approach to sustainability in all aspects of College life, from our buildings to the curriculum so reducing the costs of energy and operations and driving our carbon footprint to operational net zero.

The strategic plan is underpinned by a robust action plan that articulates the annual targets and milestones that need to be achieved against the three-year plan. The strategic plan also has an associated risk register, which is reviewed at regular intervals by the Board of Governors.

A copy of the strategic plan can be found on our website.

Key Documents - WM College

The College was last Inspected under the Ofsted EIF in February 2024. The College was graded Good against all the EIF categories and was seen to be making a reasonable contribution to Skills.

The inspection report identified that Learners benefit from a broad choice of programmes that enable them to return to learning, and it commended the high quality of teaching and learning that is demonstrated across the college. It also commented on the high level of personal care and support provided by college staff that enables adults to be successful in their learning and engage within their local community.

In particular Ofsted stated:

“Leaders have developed a curriculum for young and adult learners that provides good opportunities for learners to be economically and socially active. For example, tutors ensure that adult learners, many of whom are new or returning to study after a significant time away from education, improve and build on their English, mathematics and digital skills and

knowledge. Learners are well prepared for further learning or employment. Most learners achieve their planned learning goals.

“Learners feel safe and well supported during their time at college. Staff have a strong focus on the safeguarding and well-being of learners. They work closely with community and charity partners to support learners who are often socially excluded. While at college, learners thrive in the supportive community. Learners know who to contact if they have any concerns.”

Values

Working Men’s College is learner Centred: we strive to enable all learners to achieve their potential and to enjoy their learning with us. We listen to our learners and are adaptable, flexible, and responsive to learner needs.

Working Men’s College is committed to Continuous Improvement and Excellence: we constantly review what we do and how it could be improved to ensure that we get better.

Working Men’s College is Respectful: we promote equality and celebrate diversity. We respect differences and treat people as individuals. We are understanding of each other’s values, cultures and beliefs and observe these in our interactions with each other.

Working Men’s College is Collaborative: we work to meet our common goals, valuing other’s contribution. We share and celebrate the talent, skills, knowledge and experience of every person at WMC.

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Public benefit

The College is a registered charity and following the machinery of Government changes in July 2016, is regulated by the Secretary of State for Education as Principal Regulator for all Further Education Corporations in England. The Governors of the Corporation, who are trustees of the charity, are disclosed on page 1. In setting and reviewing the College’s strategic objectives, the Corporation has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

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

- High quality teaching and learning;
- Widening participation and tackling social exclusion;
- Increased employment opportunities for students;
- Strong student support systems;
- Links with employers in industry and commerce; and

- Links with Local Enterprise/ Skills and Improvement Partnerships.

Further information and examples of the delivery of public benefit are covered throughout the remainder of the Members' Report including the Strategic Report.

Financial objectives

The College's general financial objectives were revised in October 2024, having previously been approved by Governors in June 2017. The objectives are as follows:

In 2024/25, 2 of the 6 financial objectives were met.

Objective	2024/25	Met
Cash days of not less than 40	45	Met
An adjusted current ratio of 2.0:1 – 2.5:1	1.24:1	Not Met
EBITDA using DfE education specific definition, of above 5% of income	1.53%	Not Met
Borrowing as a % of non-endowment reserves of less than 15%	2.81%	Met
Staff costs (excluding restructuring costs) not to exceed 70% of income	74.5%	Not Met
Financial health of "Good" (which is currently 180 points)	160	Not Met

Cash days are at 45 days. Staff costs have increased to 74.5% (70.4%, 2024) as a proportion of income, which is above the sector benchmark, this percentage is budgeted to reduce to 71% for 2025/26. The College's indicative financial health score of 160, grades as "Requires Improvement", primarily due to restructuring costs incurred in the year; although it should be noted that this is currently an estimate. Governors and managers remain confident that the underlying position and performance of the College remains robust.

Investment Fund Objectives

The College's investment fund financial objectives were revised in February 2014 and are as follows:

- To review fund management objectives at regular intervals and in response to changing market conditions.
- To achieve a balance between income and capital growth.
- To achieve a total return of "inflation plus 4%".
- To invest the funds in Newton's Global Growth and Income Fund for Charities (GGIFC).

Note that a group of the College's governors and management met with Newton (BNY Mellon) to confirm that they are satisfied with their investment strategy.

At 31 July 2025, all investments were held with Newton (BNY Mellon).

At 1 August 2024, the investment portfolio was valued at £6.38 million. The investment income received during the year was £145k, which equates to 2.2% of the opening valuation. The portfolio value increased significantly to £6.93 million by 31 July 2025, representing an improvement of c.8.6%.

PERFORMANCE INDICATORS

Ofsted Inspection:

Working Men's College's most recent inspection took place in February 2024.

The College's grades awarded by Ofsted were:

Overall effectiveness	Good
Adult Learning Programme	Good
Quality of Teaching, Learning and Assessment	Good
Personal Development, Behaviour and Welfare	Good
Outcome for Learners	Good

Grant Funding

The College's performance against the funding agencies, Department for Education (DfE) and GLA revenue and learner number targets in 2024/25 is set out below:

Funding for Adults

Funding Category		Target (allocation) (GLA/DfE)	Actual outturn (Final claim)	Performance (%)
Adult (19+) Learner Responsive Funding	Adult Education Budget (AEB)	£5,143,441	£5,233,554	103%

The GLA has confirmed that over performance up to 106% will result in additional payments being received by the college. Whereas the DfE have set their over performance threshold at a maximum of 110%. There will be no payments for over performance in 2025/26.

Funding for 16-19 Year Olds

Under the DfE lagged funding rules, the College will receive the target funding value for the year and any over or under performance will be taken into account in funding allocations for future years.

The College exceeded the contract value by 4.1%. However, because of the lagged funding rules this overachievement will not be recovered until next year.

Other Income

The table below shows the proportion of the College's income received in the form of direct funding body grants for the last five years:

Year	Direct Grants £'000	Total income £'000	Percentage %
2020/21	4,977	5,634	88%
2021/22	5,285	6,055	87%
2022/23	6,121	7,038	87%
2023/24	6,267	7,247	86%
2024/25	6,448	7,561	85%

The proportion of College income derived from direct grant funding (2024/25: 8%) has remained relatively constant compared to the previous year (2022/23: 86%). Tuition fee income represents c.10% of total income.

The College is committed to reducing its dependence on direct funding body grants through expansion of provision sponsored by employers, the development of a short course offer in winter and summer, the potential of corporate offers, and full cost courses.

The College keeps the level of fees under constant review to optimise income while ensuring that adult education remains accessible to as many people as possible, some of whom can afford full-cost courses. The majority benefit from GLA/AEB grant provision and enroll on subsidised courses, and some provision at nil cost.

Learner Numbers

In 2024/25 there were 3,776 learners of which 2,767 were female and 1009 males. There were 10,401 enrolments in the College, mostly on part-time courses ranging from one 2 hour session to a full 3 days per week and including the learners enrolled on courses in the community.

Learner Performance

In 2024/245 enrolment numbers were 2% lower than in 2023/24. Achievement rates for accredited courses, 87%, were slightly higher than last year (85%), whereas achievement on non-accredited courses, 92%, has decreased by 1% compared to last year (93%).

Learners are asked whether their course has increased their confidence in a range of activities and situations that they encounter in their daily lives, such as talking to healthcare professionals, the Council, the JobCentre Plus, their landlord, neighbours, staff at their children's school, or when shopping, at work, engaging in job search, managing their personal budget, time management, using transport etc. The College also issues a learner survey to all learners gathering information about satisfaction with the College and their course as well as participating in the mandatory London Learner Survey which measures outcomes and where the College achieved one of the highest levels of participation in London. The level of satisfaction in the College survey increased significantly from previous years in all questioned areas.

Curriculum Developments

Curriculum teams have continued to review the range of provision and develop progression opportunities, with a greater emphasis on qualification achievement and employment outcomes for learners. Whilst retaining the essential ethos of the College, the ongoing drive to develop opportunities for formal accreditation alongside the well-established, non-accredited provision has continued, with a further increase in external accreditation in the vocational curriculum and arts, and a review of the qualifications offered. The increasing need to be highly responsive to the need for retraining and refocusing on new skills and readiness for work continues to be a focus for the College over the past year and will be continued for the foreseeable future.

The College offers a range of services to support learners outside of their formal classroom provision. The Learning Centre and the Library (which has recently been refurbished) provide supported learning for study outside the classroom. These facilities have an important role in assisting learners with limited IT skills or connectivity to maximise the benefit from their main course. Support for job search, the National Careers Service and employability skills coaching is based in the Learning Centre and Library.

The table below shows student overall achievement for all College courses, as reported in the College self-assessment report.

Accredited Learners

Year	Retention	Pass rate	Overall achievement	Attendance
2023/24 Actual	96%	89%	85%	86%
2024/25 Actual	96%	91%	87%	87%
Percentage point change 2024/25 over 2023/24	0%	2%	2%	1%

Non-Accredited Learners

Year	Retention	Pass rate	Overall achievement	Attendance
2023/24 Actual	94%	99%	93%	88%
2024/25 Actual	93%	99%	92%	87%
Percentage point change 2024/25 over 2023/24	-1%	0%	-1%	-1%

Other External Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as overall achievement rates. The College is required to complete the annual Finance Record for the Department for Education (DfE). The Finance Record produces a financial health grading. Under the DfE's new methodology for calculating the grade, the College indicates a "Satisfactory" rating for 2024/25 and "Good" for the 2025/26 budget. As previously stated the College underwent an Ofsted inspection in February 2024, with the grading being 'Good'.

FINANCIAL POSITION

Financial results

The College reported a sixth year of operating deficit at £189k for the year to 31 July 2025 (2024: £69k deficit). Whilst another year of operating deficit is disappointing, this is partly due a restructure (for which the costs are disclosed in the financial statements) undertaken by the College, cash will continue to be strictly monitored and costs will be tightly managed to ensure the College delivers the budget set for 2025/26.

The College expended £1.36m on new tangible fixed asset additions during the year, of which £192k was computer equipment and £1.16m related to other building improvements, furniture, fixtures and fittings; including the refurbishment of the College's hall, and the replacement of the College's windows (which was work in progress at the 31st July). Much of the capital expenditure undertaken in 2024/25 was grant funded.

Investments

The College's performance on its endowment investment portfolio is set out in note 9 to the accounts. The portfolio generated an income return of £145k during the year and increased in value by £535k. The portfolio had a market value of £6.91 million at the balance sheet date (2024: £6.38 million).

Total comprehensive income in 2024/25, stated after investment gains, was a surplus of £456k (2022/23: £402k surplus)

Included in investment gains was a £110k gain in the value of the College's investment property at 48 Crowndale Road. The year-end valuation was carried out by JLL.

Reserves

As per the College Financial Handbook, the College put a reserves policy into place in 2024/25.

As of 31 July 2025, general income and expenditure funds totaled £10.89 million, compared to the 2024 total of £10.74 million. The College also held restricted funds and endowments totaling £3.24 million (2024: £3.05 million). These funds have been given to the College for purposes specified by donors and therefore are not available to the Corporation for general use although some of the endowments are classified as expendable.

The College held liquid expendable reserves of c. £4.4m as at 31 July 2025. These reserves are held for a balance of repaying liabilities (the College had £325k of loan liabilities at the year-end), contingency (in case of a data breach etc. or any other large unexpected financial cost), planned investment (for growth, to support the strategic plan, and in the building (which is a listed building)).

Treasury policies and objectives

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

Cash Flows and Liquidity

There was a net cash outflow for the year of £582k (2024: inflow of £130k). This is a result of several factors but primarily due a decrease in operating inflows and increased expenditure on capital investment.

Long Term Loans

The College has two existing long-term loans at fixed rates of interest: one with Lloyds Banking Group for £1,000,000, drawn down in July 2007 and the other with Barclays for £500,000, drawn down in July 2008. Both loans were taken out to support the major capital building improvement works programmes at the College's Crowndale Road site. On 31 July 2025, the total loan principal outstanding was £325k (2024: £432k). The College has not breached any of the loan covenants on either loan and does not foresee a risk of that happening within the current planning horizon.

The College keeps the loans under review and whether they should be paid down early in full or in part. Currently, the Governors consider the financial penalty for early payment of a fixed term loan does not represent value for money.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 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%. During the accounting period 1 August 2024 to 31 July 2025, the College considers that it achieved the majority of invoices processed with no disputed costs.

Restructuring

The College undertook a staffing restructure in 2024/25, as a result of this the College incurred £94k (2024: £nil) contractual and £14k (2024: £nil) of non-contractual restructuring costs.

Future developments

Aligned to the Mayor's skills agenda, The College has continued to develop a stronger and expanded employability provision to support those finding themselves unemployed or needing to change career or the sector in which they work. This includes working with community partners and external agencies such as 'LIFT' in Camden, 'Proud to Care, Bluebird and In2ed recruitment agency. We work with the JCP, and National Career Services staff based in the JCP in Kentish Town who provide referrals to WM College ESOL and vocational courses and our employability support provision. The College has developed a tracking system to ensure all activity is captured centrally and that engagement with the skills agenda can fully integrated into the new College strategic plan.

Whilst the College respects the spirit of the funding guidance on charging participants (pound plus), - it will continue to refine its approach to charging fees on Community Learning funded courses to ensure that courses are accessible to all and finance is not a barrier to learning.

RESOURCES

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

Financial

Tangible resources, have a book value of £9.6 million, and include the main site at Crowndale Road. During the year the College moved on from its second centre in Kentish Town, which was owned by the London Borough of Camden and used by the College on a tenancy-at-will basis.

People

Human resources comprised of a staff base of 122 full-time equivalents, of whom 65 were teaching staff, and a headcount of 219 (136 teaching). The College makes extensive use of subject specialists, many of whom teach part time at the College whilst also working in their specialist industry.

Reputation

The College has a strong reputation locally, based on the quality of services, the breadth of community involvement and the continuing interest in long and distinguished history, as well as the benefit of an Ofsted "Good" rating.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has developed strategies for managing risk and has embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation and enable it to respond in a timely and proportionate manner to changing circumstances.

The SLT regularly reviews the risks the College is exposed to. The members identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are implemented and internal audit work and other monitoring throughout the year helps appraise their effectiveness and progress against risk mitigation actions. The SLT also considers the impact of the latest government guidance and rules as well as any risks which may arise because of new or changed areas of work being undertaken by the College.

A risk register is maintained at College level and formally reviewed at EMG meetings. The risks are assigned to the most relevant committee of the Corporation and reviewed at termly meetings of those committees and then annually by the full Board. The risk register identifies the key risks, systems and procedures to control them, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the SLT during 2024/25. Not all the factors are within the College's direct control.

1. Government Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies.

In 2024/25, 85% of the College's income was publicly funded.

The College maintains an objective of reducing dependence on state funding but recognises that it will remain the dominant source. The College's adult education budget, received from the Greater London Authority (GLA) decreased by 1.65% in 2025/26, with the expectation that further cuts to funding may follow in future years.

- Following the devolved AEB budget to the GLA in 2019, the implementation of the Mayor of London's Skills Roadmap (Jan 2022) and how this will be reflected in individual College funding allocations in future.
- How the College's 'curriculum intent' (Ofsted Education Inspection Framework) is responsive to the LSIP, and how well the WMC Accountability Statement reflects local priorities. ending shortly, this risk will be reduced over time.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training;
- Considerable focus and investment of time is placed on maintaining and managing key relationships with funding bodies and sector organisations, including the GLA staff, so that they understand the circumstances, challenges and potential of the College and the College ensures compliance and collaboration
- The employment of an Employer engagement manager.
- Increasing links with employers to ensure that provision remains relevant to work and skills needs;
- Promoting examples of how successful learners progress into the labour market;
- Collaborating with other Institutes of Adult Learning as appropriate.
- The creation of a strategy to increase other sources of income and thus reduce the College's reliance on grant funding.

2. Tuition Fee Policy

In line with the majority of other colleges, WM College will seek to increase fees incrementally in accordance with inflation. The College values strongly the principle of access to learning being available to everyone, regardless of financial circumstances. It will continue to hold these two objectives in balance. The risk for the College is that demand falls off as fees increase and this will impact on the growth strategy of the College.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training demonstrating value for money for students;
- Close monitoring of demand for courses as prices change and responding swiftly and appropriately;
- Market research to establish demand, willingness to pay and price elasticity;
- Marketing incentives and campaigns to encourage and incentivise enrolments;
- Flexible fee payment opportunities and methods including instalment plans;
- Bursary support for those not eligible for the concession.

3. Inflationary increase and cost not met by increase in funding and over-expenditure in non- staff costs could result in a financial deficit for the year.

With the rise in the cost of living, the College is under huge pressure to increase pay in line with inflation. This is not met by funding as the College has very few 16 to 18 year olds. who have been allocated funding by the DfE to pay for wage increases. Adults do not attract increased funding.

Inflation also means that non-staff costs continue to increase.

The risk is mitigated in a number of ways:

The risk is mitigated in a number of ways:

- By carefully managing pay increases to stay within the college's overall budget and monitoring the staff cost to income ratio, so that it does not fall out of line with benchmarks.
- To manage communication to staff to be transparent about the rationale, in line with the College ethos of equality and fairness.
- To control staff recruitment and not automatically replace leavers.
- Renegotiating contracts (in relation to non-staff costs) where possible to achieve efficiency.

4. Cyber Security

Cyber security continues to be one of the biggest threats to College operations and data protection in 2024/25. The impact can be devastating and incur significant costs, extended interruption to teaching and learning and compromise enrolments, and is particularly concerning given some of the cyber-attacks that have occurred on other organisations.

The risk is mitigated in a number of ways:

- The College has successfully gained it's Cyber Essentials Plus accreditation in 2024/25.
- The College has implemented 2 factor authentication for both staff and learners.
- Student and staff induction has a full IT 'Acceptable use' mandate.

- The undertaking a full and comprehensive internal audit on cyber security in 2024/25.

5. Health and Safety and Accessibility

Built in 1904, bringing the main building of the College up to modern requirements is challenging. As a result of this there were many risks identified, such as the lack of suitable fire doors, and the evacuation processes in the event of a fire being challenging, particularly for those with mobility impairment.

The risk is mitigated in a number of ways:

- The installation of new evacuation lifts and fire doors was completed in 2024/25. These are works which had been previously identified as part of a stock condition survey.
- Regular fire evacuations are carried out and logged, any required actions are discussed, shared and put into place.
- Using forums such as the Health and Safety committee to ensure that health and safety risks are identified, and that health and safety remains a priority at the College.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and educational institutions, the Working Men's College has many stakeholders and an extensive range of relationships with local people and groups. These include:

- the College's own students and staff;
- funding bodies, especially the Education and Skills Funding Agency and the Greater London Authority;
- the London Borough of Camden;
- a range of local employers;
- Local Enterprise Partnerships (LEPs);
- local community groups, including the Somers Town Big Local for whom the College acts as the "Local Trusted Organisation (LTO);"
- the other Institutes of Adult Learning (IALs), especially the four based in London;
- local FE colleges;
- the FE Commissioner; and
- trade unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a range of media and methods.

Community Responsiveness and Employer Engagement

The College has been implementing a successful community engagement strategy for many years. The community provision continues to reach students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. These working relationships help identify and target disadvantaged learners in Camden. Further information on these aspects of the College's work can be found in the Self-Assessment Report available via the College website or on application to the Clerk to the Corporation. The College has also employed an Employer Engagement manager.

Educational Links

The College has a wide variety of strategic links with other educational institutions.

The Greater London Authority (GLA) became the College's principal funder for adult education from August 2019 whilst the Department for Education (DfE) remains the funder for all 16-19 activity and for adult funding for learners living outside the London boroughs controlled by the GLA.

The group of five London IALs – the Working Men's College, the Mary Ward Centre, City Lit, Morley College, and Richmond and Hillcroft Adult Community College – have a very long-standing partnership which is used in a variety of constructive ways to address national, regional and local priorities. Closer working and a new common identity as the London Adult Learning Institutions has enabled some joint initiatives to be developed effectively.

Staff and Student Involvement

The College considers good communication with staff and students to be vital. The Corporation includes two staff members and one student member and the Curriculum Quality and Standards Committee includes all academic managers. Staff and student bulletins and newsletters were produced during the year and a regular Principal's Update issued to all staff to increase communication during the Covid-19 pandemic is now well established. The College Intranet is also used to facilitate communication with staff.

Most of the working parties and development groups within the College include staff and student representation. Sometimes it is difficult to secure the level of staff and student participation that is desirable because of the high proportion of teaching staff and students who are part-time.

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. The following information relates to the period from 1 April 2024 to 31 March 2025 as required by the Regulations and is also made available on the College's website.

Relevant union officials

Number of employees who were relevant union officials during the relevant period: 2	Full-time equivalent employee number; 1

Percentage of time spent on facility time

Percentage of time - %	Number of employees
0	0
1-50	2
51-99	0
100	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,987
Total pay bill	£4,481,000
Percentage of the total pay bill spent on facility time,	0%

Paid trade union activities

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

EQUAL OPPORTUNITIES STATEMENT

Equality and Diversity Statement

The College is committed to promoting equality of opportunity in all aspects of its operations for all who learn or work at the College. It recognises its legal responsibilities, respects and values all differences and individual choices and takes all reasonable steps to ensure there is no discrimination against any student, member of staff or the public, on the grounds of race, gender, sexual orientation, disability, religion or belief and age. Monitoring systems have been introduced and performance targets identified. The College's Equality Policy is published on its website and produces an annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010.

Employment of disabled persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those of non-disabled employees.

Disability Statement

A key purpose of the College is to be a learner-centred college dedicated to providing opportunities for lifelong learning for the diverse range of London adults who may not be able to study full time, particularly those who have missed out on their initial education.

As part of its commitment to inclusive education and equality of opportunity, the College welcomes students with learning difficulties. The College endeavours to be flexible and match the learning support to each student's individual needs and achieve the objectives set down in the Equality Act 2010.

The College employs a full-time Disability Officer to promote awareness and implementation of this statement and supporting policies.

The aims of the College include:

- identifying and responding to individual student needs, to improve continually students' learning experience;
- ensuring all students achieve their full potential through the provision of a high quality student centred learning environment;
- actively promoting equality of opportunity for all students;
- ensuring appropriate steps are taken to guarantee that a disabled learner is not placed at a substantial disadvantage in comparison with a learner who is not disabled.

A range of courses for learners with learning difficulties or disabilities are available, which provide learning in smaller groups and at a pace that increases these learners' ability to achieve their learning aims and progress to further study or employment.

Safeguarding and Prevent

The College fully recognises its responsibility to promote safe practice and to protect and safeguard the welfare of everyone working and studying there. Governors and managers believe that learning takes place most effectively within a culture in which all individuals trust the College to keep them safe from harm while there and give them information, advice and help to keep themselves safe from harm at other times. There are clear processes and procedures in place should anyone have a concern and the College works with a number of external agencies to support learners to remain in learning, including the FE Prevent coordinators.

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITOR

The Governors 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 Governor 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.

The members' report including the strategic report was approved by the members of the Corporation and signed on their behalf on 10 December 2025 by:

Chair:

Joanna Davidson
10/12/25

STATEMENT OF CORPORATE GOVERNANCE

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 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

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. The College endeavours to conduct its business:

- i. in accordance with the Seven Principles of Public Life (also known as the Nolan 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 Further Education Code of Good Governance ('the Code') 2024 and
- iii. on 9 July 2025 adopted the updated and most recent version of the Code.

In the opinion of the Governing Body, the College complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2025. This opinion is based on an external review of compliance with the Code undertaken by HFL and reported to the Board in June 2024.

Following HFL's recommendations to the Governing Body an action plan was implemented in response to their recommendations. In February 2025 a follow up review was held with HFL, resulting in a progress report showing excellent progress had been made and provided further confirmation that the Corporation is compliant with the Code.

Governors are also committed to developing and exhibiting best practice in all aspects of corporate governance.

THE CORPORATION

Members of the Corporation

The Members who served on the Corporation during the year and up to the date of the signature on the report alongside their meeting attendance for 2024/25 were:

Statement of Corporate Governance and Internal Control 31 July 2025

NAME	STATUS OF APPOINTMENT	DATE	TERM RENEWAL	TERM RENEWAL	END OF TERM	BOARD MEETING ATTENDANCE	COMMITTEE MEMBERSHIP & ATTENDANCE			
							A	F	C	C H
Alice Rubbra	Appointed	Mar-2022	Mar-2025	Mar-2028		3/3		3/3		
Amanda Blinkhorn	Nominated - teaching staff	Mar-2018	Mar-2021	Mar-2024	Mar-2027	3/3			3/3	
Ben Lonsdale	Appointed	Jan-24	Jan-2027			1/3		2/3		
Dipa Ganguli	Nominated – ex officio	Sep-23				3/3		3/3	2/3	3 / 3
Fran Fahey	Appointed	Apr-19	Apr-2022	Apr-2025	resigned Jul -25	3/3		3/3		
Joanna Davidson	Appointed - chair	Mar-24	Mar-2027			3/3		3/3	2/3	3 / 3
Jon Sibson	Appointed	Apr-19	Apr-2022	Apr-2025	Apr-2028	3/3		3/3	3/3	3 / 3
June Jarrett	Appointed	Jul-17	Jul-2020	Jul-2023	Jul-2026	3/3			2/3	
Lukas Mandangu	Appointed	Jan-24	Jan-2027			2/3	3/3			
Max Silver	Appointed	Mar-21	Mar-2024	Mar-2027		3/3		3/3		3 / 3
Monika Kinasiewicz	Nominated - support staff	Nov-19	Nov-2022	Nov-2025		3/3				
Peter Knowland	Nominated - student	Mar-24	Mar-2027			3/3			2/3	

Statement of Corporate Governance and Internal Control 31 July 2025

Susan Corby	Appointed	Jul-20	Ju-2023	Jul-2026		3/3		3/3	3/3	
Tom Robins	Appointed	Mar-22	Mar-2025	Mar-2028		3/3	3/3			3 / 3
Cameron Wilkinshaw	Independent Co-optee	Jul-23	Jul-2026			N/A	1/3			

Committee Key:

A = Audit Committee

F = Finance, Personnel & Development Committee

C = Curriculum, Quality & Standards Committee

CH = Chairs Committee

Governors also attended a Strategy Day on 4 October 2025.

Bill Barker was Clerk to the Corporation and Company Secretary throughout the period August 2024 until October 2025, when Joanne Luff took over the post.

Fellows of the Corporation

Current Fellows are:

- Selwyn Midgen
- Bipin Patel MBE
- Dame Ruth Silver
- Baroness Janet Whitaker
- Satnam Gill OBE
- Lucy de Groot
- Abdul Qadar
- Nigel Franklin
- David Offenbach
- Professor Tom Schuller
- Paula Whittle

The Governance Framework

The Working Men's College is a company limited by guarantee and its Appointed Governors are also Members of the company. Every Member undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, such amount as may be required but not exceeding five pence.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation and its sub committees meet at least once a term, sometimes more should circumstances require.

Statement of Corporate Governance and Internal Control 31 July 2025

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which are reviewed annually and approved by the Corporation. These committees are Curriculum Quality and Standards, Finance Personnel and Development, Audit, Remuneration and Search. Full minutes of all Board meetings, except those deemed to be confidential by the Corporation, are available on the College website(wmcollege.ac.uk) or from the Head of Governance to the Corporation at the College's registered address.

The Head of Governance maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address and is also available on the College website.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Head 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 clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, at least 7 days prior to Board meetings. Regular briefings are provided on an ad hoc basis.

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

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

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search Committee, consisting of four 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 induction/ training is provided.

In line with the Memorandum and Articles of Association a term of office for a Member of the Corporation is three years and they may be appointed for up to a maximum of 3 x terms.

Corporation Performance

As reported, an External Board Review was completed in June 2024 with a progress visit and report produced in February 2025.

The Corporation is committed to ensure that governance at the College is not just legally compliant but that it is purposeful, effective and efficient; leading on and innovating best practice. At their meeting in April 2025, the Corporation approved a statement setting out their commitment to strengthening their governance through a

process of self-assessment, review and development – identifying their individual and collective strengths, highlighting areas that may need further investment through recruitment and/or the provision of additional support or training.

During this financial year the Governors completed a full skills audit informing their governor recruitment strategy; individual self-assessments, collective reviews of the Board and Committees and a 360 review for the Board and Committee Chairs were also completed at the end of the academic year.

All Governors are members of the Association of Colleges (AoC) and have access to further training and development opportunities via the Education and Training Foundation. The Chair, Principal and Head of Governance regularly attend and participate in AoC's programmes of conferences, workshops and networks. During the year all Governors updated their training on Safeguarding, Prevent, Cyber and Information Security and 6 x Governors attended an anti-racism training day facilitated by the Black FE Leadership Group.

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 objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Working Men's College and the funding bodies. The Principal 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 at Working Men's College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has

been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with the requirements of the DfE's College Finance Handbook. 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, includes an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Governing Body

The corporation receives an annual report on risk management and the risk management policy. This is reviewed before the signing of the financial statements,

During the year the risks falling within the remit of each committee are reviewed at each meeting of the committee.

Control Weaknesses Identified

The internal scrutiny work during the year resulted in three medium risk and five low risk recommendations. These were primarily in relation to procurement. The College has undertaken work on its finance system (introducing automated processes) and delivered training to budget holders to address these recommendations.

Responsibilities under accountability agreements

The college has reviewed its policies, procedures and approval processes in line with the 2024-5 college finance handbook and its accountability agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

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 2024/25 and up to the date of the approval of the financial statements are:

Internal audit reports in the following areas:

- Funding Assurance – strong assurance
- Procurement - reasonable assurance
- Cyber Security– strong assurance

Reasonable progress was also made in respect of follow up to previous recommendations by the internal auditors.

The committee also reviewed the College's approach to risk, resulting in work being undertaken to link risks more closely to the College's strategic objectives.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's 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 (for colleges subject to funding audit) in their external auditor's auditor findings report (management letter)s and other reports.
- The regularity self-assessment questionnaire.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

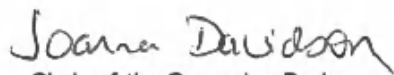
The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior

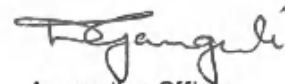
Statement of Corporate Governance and Internal Control 31 July 2025

management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

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 Governing Body on 10 December 2025 and signed on its behalf by:


Chair of the Governing Body
Date: 10/12/25

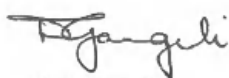

Accounting Officer
Date: 10/12/25

Statement on regularity, propriety and compliance 31 July 2025

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 DfE and GLA and has considered its responsibility to notify DfE or GLA 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 the DfE and GLA, or any other public funder. This includes the elements originally outlined in the "Dear accounting officer" letter of 29 November 2022 and (then) ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, 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 the DfE or GLA.



Dipa Ganguli

Accounting Officer

Date: 10 December 2025

Statement of governors' responsibilities 31 July 2025

The Governors of the Corporation (who are trustees for the purposes of the Charities Act and whose Appointed Governors are also the directors of the company for the purposes of the Companies Act) are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's grant funding agreements and contracts with the Department for Education (DfE) and the Greater London Authority (GLA), the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice (GAAP), and which give a true and fair view of the state of affairs of the Corporation and its deficit of income over expenditure for that year.

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

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

The Corporation is also required to prepare a Strategic Report 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 College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the Working Men's College website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of governors' responsibilities 31 July 2025

Governors 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 the DfE and GLA, and any other public funds, are used only in accordance with the DfE's and GLA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by the DfE, GLA or any other public funder, including that any transaction entered into by the corporation are within the delegated authorities originally set out in the "Dear Accounting Officer" letter of 29 November 2022 and (then) ESFA's bite size guides. Governors of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, Governors of the Corporation are responsible for securing economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the DfE and GLA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 10 December 2025 and signed on their behalf by:

Joanne Davidson

Joanna Davidson

Chair

15/12/25

Independent Auditor's Report to the Corporation of the Working Men's College Corporation

Opinion

We have audited the financial statements of the Working Men's College Corporation for the year ended 31 July 2025 which comprise the College statement of comprehensive income and expenditure, the College statement of changes in reserves and balance sheets, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its financial performance and cash flows for the year then ended;
- have been prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE;
- have been prepared in accordance with the requirements of the Companies Act 2006;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on

the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the annual report, other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the corporation report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the corporation report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Framework and guide for external auditors and reporting accountants of colleges issued by the DfE requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;

- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- certain disclosures of members' remuneration specified by law are not made.

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Governing Body, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the Further Education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the College Accounts Direction 2024 to 2025 issued by the DfE, the Further and Higher Education Act 1992, funding agreements with the DfE and associated funding rules, DfE regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would

become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 11 December 2025

Independent Reporting Accountant's Report on Regularity

To: The Corporation of the Working Men's College Corporation and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 9 June 2025 and further to the requirements of Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by the Working Men's College Corporation during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to the corporation of the Working Men's College Corporation and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of the Working Men's College Corporation and the Secretary of State 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 Working Men's College Corporation and the Secretary of State for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of the Working Men's College Corporation and the reporting accountant

The accounting officer is responsible, under the requirements of the corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to

obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

11 December 2025

Statement of comprehensive income Year to 31 July 2025

	Notes	2025 Total funds £'000	2024 Total funds £'000
Income:			
Funding body grants	1	6,448	6,267
Tuition fees	2	721	776
Other operating income	3	248	64
Investment income	4	145	140
Total		7,562	7,247
Expenditure:			
Staff costs	5	5,528	5,134
Fundamental restructuring costs	5	108	-
Other operating expenses	6	1,389	1,518
Depreciation	8	704	636
Interest and other finance costs	7	22	28
Total		7,751	7,316
Operational deficit before other gains and losses and before tax		(189)	(69)
Gains/(Loss) on listed investments	9	535	471
Gains/(Loss) on investment property	10	110	-
Surplus/(Deficit) before tax		456	402
Taxation		-	-
Total comprehensive expenditure for the year		456	402
Represented by:			
Restricted comprehensive income		52	47
Endowment fund income		140	188
Unrestricted comprehensive income/(expenditure)		264	167
Total comprehensive (expenditure) for the year		456	402

Balance sheet 31 July 2025

	Notes	2025 £'000	2024 £000
Fixed assets			
Tangible fixed assets	8	9,565	8,915
Listed investments	9	6,913	6,378
Investment property	10	1,610	1,500
		18,088	16,793
Current assets			
Debtors	11	497	404
Cash at bank and in hand		872	1,454
		1,369	1,858
Liabilities			
Creditors: amounts falling due within one year	12	(1,397)	(1,206)
Net current assets		(29)	652
Total assets less current liabilities		18,059	17,445
Creditors: amounts falling due after more than one year	13	(3,816)	(3,658)
Total net assets		14,243	13,787
Endowments			
Permanent		291	336
Expendable		2,395	2,210
		2,686	2,546
Restricted reserves			
Restricted reserves		555	503
Unrestricted reserves			
Income and expenditure account		11,002	10,738
Total reserves		14,243	13,787

The financial statements on page 42 to 64 were approved by the Governing Body on 10 December 2025 and were signed on its behalf by:

Joanna Davidson

Joanna Davidson
Chair
Company number 00008894

Dipa Ganguli

Dipa Ganguli OBE
Principal and Accounting Officer

Statement of changes in reserves Year to 31 July 2025

	Income & expenditure reserve £'000	Restricted reserves £'000	Endowments £'000	Total reserves £'000
Balance at 1 August 2023	10,571	456	2,358	13,385
Surplus/(Deficit) from the income and expenditure account	167	47	188	402
Transfers between restricted and income and expenditure reserves	-	-	-	-
Total comprehensive income/(expenditure) for the year	167	47	188	402
Balance at 31 July 2024	10,738	503	2,546	13,787
Surplus from the income and expenditure account	191	52	213	456
Transfers between restricted and income and expenditure reserves	73	-	(73)	-
Total comprehensive income for the year	264	52	140	456
Reclassification of reserves (note 20)	-	-	-	-
Balance at 31 July 2025	11,002	555	2,686	14,243

Included within restricted reserves at the balance sheet date is an amount of £262k (2024: £236k) which relates to the assets of the former Francis Martin College Charitable Foundation (Emily Pfeiffer endowment). The Working Men's College Corporation is the corporate trustee of the Francis Martin College charity (registered charity number 312802). The assets are invested in the Newton Growth and Income Fund for Charities alongside the investments of the Working Men's College Corporation.

Statement of cash flows Year to 31 July 2025

	Notes	31 July 2025 £'000	31 July 2024 £'000
Net cash inflow from operating activities	15	96	583
Investing activities			
Income from investments and endowments		145	140
Purchase of tangible fixed assets		(1,355)	(1,106)
Receipts of new capital grants		670	650
Net cash provided by (used in) investing activities		(540)	(316)
Financing activities			
Interest payable		(22)	(28)
Capital element of finance lease rental payments		(8)	(8)
Capital element of bank loan repayments		(107)	(101)
Net cash used in financing activities		(137)	(137)
Increase/ in cash and cash equivalents in the year		(582)	130
Cash and cash equivalents at the beginning of the year		1,454	1,324
Cash and cash equivalents at the end of the year	16	872	1,454

Included within cash balances are grant funding balances restricted for capital purposes of £203k (2024: £0k) these balances can be applied by the College against capital and estates expenditure in future accounting periods.

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024-25 and in accordance with Financial Reporting Standard 102: - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. In order to present a true and fair view, the College has not followed the provisions of the Companies Act 2006 regarding the format of the financial statements where these are not appropriate to the College's activities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of listed investments and the investment property.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members' Report including the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College had at 31 July 2025 £325,000 of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 3 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable, the extent of the completion of the contract or service concerned and depend on the particular income stream involved.

Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, 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 stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment Income

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

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements from the Department for Education. Related payments received from the funding bodies and subsequent disbursements to learners are excluded from the income and expenditure of the College where the College is exposed to minimum risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension scheme. The TPS is a defined benefit plan which is externally funded and contracted out of the State Second Pension. The group personal pension plan is a defined contribution plan.

Teachers Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the comprehensive income statement in the periods during which services are rendered by employees.

Group Personal Pension Scheme

Contributions to the group personal pension scheme, which is not a final salary scheme, are a fixed percentage of salary and are charged to the statement of comprehensive income on an accruals basis.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Individual items of equipment costing greater than £500 and with an expected useful life exceeding one year are capitalised at cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Tangible fixed assets are depreciated over their useful economic lives, on a straight line basis, as follows:

Freehold buildings	over 50 years for new buildings over 20 years for existing buildings
Building improvements	4% - 10% per year
Technical equipment	over 4 years
Computer hardware and software	over 3 years
Furniture fixtures and fittings	over 6 years

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; or
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

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.

Assets under construction

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

Leased assets

Operating leases

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

Finance leases

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

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

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

Investments including endowment assets

Investments are included on the balance sheet at their market value, as provided by the investment manager, at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the statement of total gains and losses in the year in which they arise.

Investment property

The investment property is included at estimated market value at the balance sheet date.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

Endowments and reserves

Permanent endowments comprise monies which must be held indefinitely as capital and expendable endowments represent capital monies which can be drawn upon if required. Income therefrom is credited to the statement of comprehensive income and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted reserves.

Restricted reserves comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. At the balance sheet date, £236k represents the funds of the Francis Martin College Pfeiffer Trust scheme and the remaining £256k relates to equipment reserves. The College is reviewing the ongoing appropriateness of the restrictions and assets allocated to the funds.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it incurs on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and contingent liabilities

Provisions are recognised when:

- The College has a present legal or constructive obligation as a result of a past event,
- It is probable that a transfer of economic benefit will be required to settle the obligation and

- A reliable estimate can be made of the amount of the obligation.

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying key accounting policies

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

- Determined whether leases entered into by the College either as lessor or 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.
- Determined 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.

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

Other key sources of estimation uncertainty

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing 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 an asset and projected disposal values.

1 Funding body grants

	2025 £'000	2024 £'000
Recurrent grants		
Education and Skills Funding Agency – adult	58	50
Greater London Authority – adult	5,224	5,301
Education and Skills Funding Agency – 16-18	272	228
Specific grants		
Teachers' Pension Support Grant	304	212
Employers NIC Support Grant	32	-
Multiply funding	280	280
Other specific grants	(1)	1
Release of government capital grants:	283	195
	6,448	6,121

2 Tuition fees

	2025 £'000	2024 £'000
Adult education fees	721	740
Fees for FE loan supported courses	-	34
	721	774
Education contracts	-	2
	721	776

3 Other operating income

	2025 £'000	2024 £'000
Other grants	163	6
Property rental income	53	40
Other income	33	18
	249	64

4 Investment income

	2025 £'000	2024 £'000
Income from restricted asset investments	11	11
Income from endowment and unrestricted investments	134	129
	145	140

5 Staff costs and key management personnel remuneration

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

	2025		2024	
	No.	FTE	No.	FTE
Teaching staff	136	65	131	61
Non-teaching staff	83	57	73	58
	219	122	204	119

Staff costs for the above person:

	2025 £'000	2024 £'000
Wages and salaries	4,481	4,102
Social security costs	426	374
Other pension costs (note 19)	729	658
Total staff costs	5,636	5,134

There were restructuring costs of £108,797 (£94k contractual, £14k non-contractual) in 2024/25 (2023/24 £nil).

A breakdown of the severance payments above is detailed below:

Severance payment amount	Number of severance payments made
£0 - £25,000	12

Included in staff restructuring costs are special severance payments totalling £14,450 (2024: £nil). Individually these payments were: £7,225 and £7,225. These payments were below the threshold for DfE approval.

In addition to this, restructuring costs include a payment of £14,040 was made to a member of the senior management team.

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 Management Team which comprises the Principal, Deputy Principal, Vice Principal, Directors of Learning, Director of Learner Services, and the Heads of Service.

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

The number of key management personnel including the Accounting Officer was:

	2025 No.	2024 No.
Key management personnel including the Accounting Officer	12	12

The number of key management personnel who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2025 No.	2024 No.
£30,001 to £35,000 p.a.*	-	1
£35,001 to £40,000 p.a.*	-	2
£50,001 to £55,000 p.a.	1	1
£55,001 to £60,000 p.a.*	5	2
£60,001 to £65,000 p.a.	-	4
£65,001 to £70,000 p.a.	2	-
£80,001 to £85,000 p.a.	1	1
£85,001 to £90,000 p.a.*	2	-
£95,001 to £100,000 p.a.*	-	1
£110,001 to £115,000 p.a.	1	1
	12	12

* Includes staff who left / joined in year

Note that the above table is based on the amounts paid to employees in the relevant financial years.

There were no other staff, other than those included in key management personnel, who received annual emoluments exceeding £60,000 during the year (2024: none).

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2025 £'000	2024 £'000
Salaries	839	704
Benefits-in-kind	-	-
	839	704
Pension contributions	116	104
Total emoluments	955	808

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

Notes to the Financial Statements Year to 31 July 2025

The above emoluments include amounts payable to the Accounting Officer who held this office for the year to 31 July of:

	2025 £'000	2024 £'000
Salaries	110	134
Pay in lieu of notice / compensation	-	-
Pension contributions	32	34
	142	168

During the year to 31 July 2024, the highest paid person of key management personnel, who was also the Accounting Officer received remuneration in the bracket £110,001 to £115,000 (on an annual basis).

The relationship between the Accounting Officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2025 No.	2024 No.
Basic salary as a multiple of median basic salary of staff	3.6	3.9
Total remuneration as a multiple of median total remuneration of staff	3.6	3.8

As per the 'College Senior Pay Survey 2024' conducted by the AOC, when considering the location and the income of the College, the Accounting Officer's salary is commensurate with the other College Accounting Officers. The Accounting Officer's performance is regularly reviewed by Governors and any increments in pay require Governor approval.

Governors' remuneration

The key management personnel 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. The other members of the Governing Body did not receive any payments from the College in respect of their roles as Governors (2024 – £nil).

The total expense for travel and subsistence paid to, or on behalf of the Governors during the year was £nil (2024 – £nil). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or Governor training events.

6 Other operating expenses

	2025 £'000	2024 £'000
Teaching costs	154	154
Non-teaching costs	580	677
Premises costs	654	687
	1,388	1,518

Surplus/(deficit) before taxation is stated after charging:

	2025 £'000	2024 £'000
Auditors' remuneration		
. Financial statements audit	25	25
. Internal audit	16	10
. Other services provided by the financial statements auditor for Teachers Pension audit	2	2
Operating lease charges	10	11

7 Interest and other finance costs

	2025 £'000	2024 £'000
On bank loans, overdrafts and other loans:		
Repayable within five years, by instalments	22	28
	22	28

8 Tangible fixed assets

	Freehold Land and Buildings £'000	Building Improvements £'000	Computer Equipment £'000	Furniture, Fixtures and Fittings £'000	Assets under construction £'000	Total £'000
Cost or valuation						
At 1 August 2024	6,711	6,041	1,975	798	-	15,525
Additions	-	686	192	150	327	1,355
Disposals	-	-	-	-	-	-
At 31 July 2025	6,711	6,727	2,167	948	327	16,880
Depreciation						
At 1 August 2024	2,195	2,009	1,802	605	-	6,611
Charge for the year	131	366	143	65	-	704
Disposals	-	-	-	-	-	-
At 31 July 2025	2,326	2,375	1,945	670	-	7,315
Net book value						
At 31 July 2025	4,385	4,352	222	279	327	9,565
At 31 July 2024	4,516	4,032	173	193	-	8,914

9 Listed investments

	Unrestricted assets £'000	Restricted assets £'000	Endowment assets £'000	Total £'000
Market value of listed investments				
At 1 August 2024	3,341	491	2,546	6,378
Appreciation in value of investments	280	41	213	535
Reclassification of reserves	-	-	-	-
Total portfolio value at 31 July 2025	3,621	532	2,759	6,913
Cost of listed investments at 31 July 2025	1,915	282	1,459	3,656
Total net unrealised gains at 31 July 2025 included above	1,705	251	1,300	3,257
Analysis of total portfolio value				
Pooled investment vehicles				6,913

At 31 July 2025, listed investments included the following holding deemed material when compared with the overall portfolio valuation as at date:

	Market value £'000	% of portfolio value
Newton Growth and Income Fund for charities	6,913	100%

10 Investment Property

	2025 £'000	2024 £'000
At 1 August:	1,500	1,500
Revaluation of investment property	110	-
At 31 July	1,610	1,500

The College owns the freehold of the property immediately adjacent to the main college building in Crowndale Road. The building is not used for the delivery of education and is let out as residential accommodation on a commercial basis. The net revenue generated is applied to the charitable purposes of the College.

11 Trade and other receivables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	13	10
Prepayments and accrued income	442	328
Other debtors	41	66
	496	404

12 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Bank loans (note 14)	113	107
Payments received in advance	250	155
Trade payables	59	146
Other taxation and social security	132	93
Accruals and deferred income *	182	144
Holiday pay accrual	175	142
Deferred income – government grants (capital)	284	178
Amounts owed to funding bodies	97	141
Obligations under finance leases	10	9
Other creditors	95	91
	1,397	1,206

*Accruals and deferred income exclude the holiday pay accrual

13 Creditors: amounts falling due after more than one year

	2025 £'000	2024 £'000
Bank loans (note 14)	213	325
Deferred income – government grants (capital)	3,601	3,321
Obligations under finance leases	3	12
	3,817	3,658

14 Maturity of debt

	2025 £'000	2024 £'000
Bank loans are repayable as follows:		
In one year or less	113	107
Between one and two years	119	113
Between two and five years	94	213
In five years or more	-	-
Total	326	432

The College took out an unsecured loan in 2007 to support phase 1 of the Crowndale Road building refurbishment. The loan is at a fixed rate of 5.485% and repayable by equal quarterly instalments from 3 December 2007 to 1 December 2027.

A second unsecured loan was taken out in 2011 to support the second phase of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.73% and repayable by equal quarterly instalments from 14 November 2011 to 14 August 2028.

15 Notes to cash flow statement

	2025 £'000	2024 £'000
Surplus/(Deficit) after tax for the year	456	402
Adjustment for:		
Losses / (gains) on investments	(645)	(471)
Interest payable	22	28
Investment income	(145)	(140)
Depreciation	704	636
Operating cash flow before movements in working capital	392	454
(Increase) / decrease in debtors	(93)	200
Increase / (decrease) in creditors	80	128
Release of capital grants	(283)	(199)
Cash inflow from operations	96	583

Included within cash balances are grant funding balances restricted for capital purposes of £203k (2024: £0k) these balances can be applied by the College against capital and estates expenditure in future accounting periods.

16 Analysis of changes in net debt

	1 August 2024 £'000	Cash flows £'000	31 July 2025 £'000
Cash at bank and in hand	1,454	(582)	872

17 Commitments under operating leases

At the reporting end date the College had outstanding commitments for future minimum payments under non-cancellable operating leases, which fall due as follows:

	2025 £'000	2024 £'000
Amounts due:		
Within one year	-	-
Between one and five years	13	13
	13	13

18 Capital commitments

	2025 £'000	2024 £'000
Capital commitments:		
Contracted for but not provided at 31 July	514	283
Authorised but not yet contracted for at 31 July	-	451

19 Retirement benefits

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 a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a multi-employer defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No defined benefit pension liability arises as a result of contributions to the Group Personal Pension Scheme.

The TPS pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was published in October 2023.

	2025 £'000	2024 £'000
Total pension cost for the year		
Teachers' Pension Scheme - contributions paid	654	581
Group personal pension scheme – contributions paid	81	77
Total pension cost for year within staff costs (note 5)	735	658

Contributions amounting to £77,000 (2024: £68,000) for the TPS and £9,700 (2024: £7,000) for the group personal pension scheme were payable to the scheme at 31 July and are included in creditors. The liabilities were paid to the relevant schemes in the new financial year.

Teachers' Pension Scheme

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

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

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

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Valuation of the Teachers' Pensions Scheme

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of c.£222 billion giving a notional past service deficit of c.£40 billion. The valuation result was implemented from 1 April 2024, and as a result (from this date) employer contribution rates increased from 23.68% to 28.68% (including a 0.08% administration levy).

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

The pension costs paid to TPS in the year amounted to £654,000 (2024: £581,000).

20 Events after the reporting period

There are no events after the reporting period which would have a material impact on the financial statements and require either adjustment or disclosure.

21 Endowment funds

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2024	336	2,210	2,546
Change in value of endowments	(45)	185	140
At 31 July 2025	291	2,395	2,686
Representing			
Prize funds	121	-	121
Library funds	123	-	123
Other funds	47	2,395	2,442
	291	2,395	2,686
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2023	311	2,047	2,358
Appreciation of endowment asset investments	25	163	188
At 31 July 2024	336	2,210	2,546
Representing			
Prize funds	111	-	111
Library funds	175	-	175
Other funds	50	2,210	2,260
	336	2,210	2,546

22 Related Party Transactions

Due to the nature of the College's operations and the composition of the Governing Body, 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 Governing Body 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. No transactions were identified during the year which should be disclosed.

23 Directors' and officers' liability insurance

The College has purchased directors' and officers' liability insurance, as part of Management liability insurance. The insurance premium paid by the College for the Management liability insurance, for year ended 31 July 2025 was £11,200 (2024: £9,239) and provides cover of up to a maximum of £2 million for all claims during a year.

24 Members' liability

Every member of the Governing Body undertakes to contribute to the assets of the College in the event of it being wound up while he/she is a member such amount as may be required but not exceeding five pence.

25 Learner support funds

	2025 £'000	2024 £'000
Amount disbursed as agent:		
Opening balance as at 1 August	50	50
Repaid to EFSA in year	-	-
Release of funds	(1)	-
Funding Body Grant - Bursary	4	3
	56	53
 Disbursed to students	-	-
Area uplift re Adult Learning Loans	-	-
Balance unspent as at 31 July	56	53

Funding body grants are available solely for students. The college distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE.

In the accounting period ended 31 July 2025, the college received a total of £4k and disbursed £0k (under £500) from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £0 for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £56k, of which £0 relates to funds that are in scope to be returned to DfE in March 2026. Comparatives for the accounting period ended 31 July 2024 are £3k received from DfE, £0k disbursed to learners after charging £0 for administration costs, and total cumulative unspent funds of £53k, of which £0 was repaid to DfE.

26 Commitments under finance leases

At the reporting end date the College had outstanding commitments for future minimum payments under finance leases, which fall due as follows:

	2025 £'000	2024 £'000
Amounts due:		
Within one year	10	9
Between one and five years	3	12
	12	21

WORKING MEN'S COLLEGE CORPORATION

England & Wales - Charity number 312803

Accounts

**Working Men's College
Corporation**

**Annual Report and Financial
Statements**

31 July 2024

Company number 00008894

Charity registration number 312803



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Reference and administrative information

Governors	Amanda Blinkhorn Susan Corby Fran Fahey Dipa Ganguli (from 1 September 2023) Neil Garner (to 30 May 2024) June Jarrett Samata Khatoon (to 30 March 2024) Monika Kinasiewicz Alexi Marmot (to 28 March 2024) Tom Robins Maria Rosenthal (to 31 August 2023) Alice Rubbra Guy Shackle (Chair to 28 March 2024) Jon Sibson Max Silver Ben Lonsdale (from 14 December 2023) Lukas Mandangu (from 14 December 2023) Peter Knowland (from 14 December 2023) Joanna Davidson (Chair from 28 March 2024)
Registered address	44 Crowndale Road London NW1 1TR
External Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Internal auditor	Scrutton Bland Fitzroy House Crown Street Ipswich Suffolk IP1 3LG
Investment Managers	BNY Mellon Limited Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA

Reference and administrative information

Bankers

Lloyds Bank
4th Floor, 25 Gresham Street
London
EC2V 7HN

Barclays Bank
Level 27, 1 Churchill Place
London
E14 5HP

Key Management Personnel

Dipa Ganguli OBE - Principal and CEO, Accounting Officer (from 1 September 2023)
Maria Rosenthal – Interim Principal and CEO, Accounting Officer (to 31 August 2023)
Korede Obasaju – Vice Principal (from 25 March 2024)
Diana Teesdale – Deputy Principal (from 2 June 2023),
Richard Dearing – Interim Vice Principal (to 1 January 2024)
Lisa Marklew – Director of Learning
Ziya Moustafa – Director of Learning
Caroline Poole – Director of Learner Services
Claudia Forbes – Head of MIS (to 26 June 2024)
Julie Paterson – Head of HR
David Barnes – Head of Network and IT
Tracey Gleeson – Head of Facilities

Company number 00008894

NATURE, OBJECTIVE AND STRATEGIES

The members of the Governing Body present their report and the audited financial statements for Working Men's College Corporation for the year ended 31 July 2024.

Legal status

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI), now known as an Institute of Adult Learning (IAL), under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and it is a registered charity. The College is subject to the legal framework governing the Further Education sector, including the rules set from time to time by the Government departments and agencies with responsibility for the sector. During 2023/24 these were the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA) together with the Greater London Authority (GLA) who have provided funding to the College from 1 August 2019 under devolved funding arrangements. The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by Funding Agreements with the EFSA and the GLA. In addition, the College, as a charitable company limited by guarantee, is governed by the charitable company's memorandum and articles of association.

The College also meets the definition of a charitable company for UK corporation tax purposes as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains covered by the relevant legislation, provided that they are applied to exclusively charitable purposes.

Mission, Strategic Plan and Values

Mission

The Corporation keeps the mission statement and strategic objectives under regular review. The mission statement was updated in 2023/24 after discussion with Governors, learners and staff. The new mission statement of the College is:

"To provide diverse and enriching lifelong learning that meets the skills needs of the local community in a supportive environment."

Strategic Plan

The Governing Board tasked the new Principal, who started in September 2023 to present a new strategic plan which maps out the direction of travel and the key objectives for the next three years.

The College has a new strategic plan, which was developed after consultation with learners, staff, key stakeholders and Governors. The plan covers a three-year period from 2024-2027. It was ratified by the Board of Governors in July 2024. The plan has five key objectives as set out below:

NATURE, OBJECTIVE AND STRATEGIES (continued)

Strategic Plan (continued)

- 1. Quality Teaching and Learning
 - Quality teaching, learning and assessment tailored to the unique needs, experiences and goals of our learners
 - A relevant, flexible and adaptable curriculum offer
 - Implement learner centric teaching methodologies focussing on interactive and experiential learning to enhance engagement and success
 - Removing barriers that hinder learning
- 2. Curriculum development and alignment
 - Align our curriculum to the local, regional and national priorities ensuring that it considers the needs of the community, industry trend and government initiatives
 - Foster industry partnership that enable learners to gain practical experience through work experience, placements or employment opportunities
 - Effective marketing strategies, especially digital, online and through social media to attract a diverse learner population
 - Deliver essential skills to the local community which are key to navigating the challenges of life and supporting adults' life chances
- 3. Integration of Technology
 - Address the digital literacy skills needed by learners to progress in employment and life
 - Incorporate digital pedagogy into traditional teaching and learning to prepare learners to meet the demands of the modern workforce
 - Encourage a culture of security consciousness within the College to provide training to staff to enhance awareness of best practices
 - Develop digital competence of learners and staff
- 4. Financial sustainability
 - Strengthen the financial model to demonstrate effective reconciliation of public funds
 - Identify relevant new funding from both local and national government and commercial income opportunities, diversifying the income streams
 - Develop comprehensive budgets that identifies cost efficiency but prioritises essential activities and aligns to the College's strategic goals
 - Regularly review and adjust tuition fee structures to reflect the cost of delivering education whilst remaining competitive with other providers
 - Maximise both the capital value and potential future revenues from the College's existing property holdings
- 5. Fit for Purpose Estate

Members' report Year to 31 July 2024

- Develop all our properties to the highest possible standards that befits their significance and tradition to host fit for purpose 21st century learning
- Any alterations or renovations of our main building should be sensitive to its architectural and historic significance, as a Grade II listed building
- Implement a robust approach to sustainability in all aspects of College life, from our buildings to the curriculum so reducing the costs of energy and operations and driving our carbon footprint to operational net zero.

The strategic plan is underpinned by a robust action plan that articulates the annual targets and milestones that need to be achieved against the three-year plan. The strategic plan also has an associated risk register, which is reviewed at regular intervals by the Board of Governors.

A copy of the strategic plan can be found on our website.

Key Documents - WM College

The College was Inspected under the Ofsted EIF in February 2024. The College was graded Good against all the EIF categories and was seen to be making a reasonable contribution to Skills.

The inspection report identified that Learners benefit from a broad choice of programmes that enable them to return to learning, and it commended the high quality of teaching and learning that is demonstrated across the college. It also commented on the high level of personal care and support provided by college staff that enables adults to be successful in their learning and engage within their local community.

In particular Ofsted stated:

“Leaders have developed a curriculum for young and adult learners that provides good opportunities for learners to be economically and socially active. For example, tutors ensure that adult learners, many of whom are new or returning to study after a significant time away from education, improve and build on their English, mathematics and digital skills and knowledge. Learners are well prepared for further learning or employment. Most learners achieve their planned learning goals.

“Learners feel safe and well supported during their time at college. Staff have a strong focus on the safeguarding and well-being of learners. They work closely with community and charity partners to support learners who are often socially excluded. While at college, learners thrive in the supportive community. Learners know who to contact if they have any concerns.”

Values

Working Men's College is learner Centred: we strive to enable all learners to achieve their potential and to enjoy their learning with us. We listen to our learners and are adaptable, flexible, and responsive to learner needs.

Working Men's College is committed to Continuous Improvement and Excellence: we constantly review what we do and how it could be improved to ensure that we get better.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Values (continued)

Working Men's College is Respectful: we promote equality and celebrate diversity. We respect differences and treat people as individuals. We are understanding of each other's values, cultures and beliefs and observe these in our interactions with each other.

Working Men's College is Collaborative: we work to meet our common goals, valuing other's contribution. We share and celebrate the talent, skills, knowledge and experience of every person at WMC.

Working Men's College is Collaborative: we work to meet our common goals, valuing other's contribution. We share and celebrate the talent, skills, knowledge and experience of every person at WMC.

Public benefit

The College is a registered charity and following the machinery of Government changes in July 2016, is regulated by the Secretary of State for Education as Principal Regulator for all Further Education Corporations in England. The Governors of the Corporation, who are trustees of the charity, are disclosed on page 1. In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

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

- High quality teaching and learning;
- Widening participation and tackling social exclusion;
- Increased employment opportunities for students;
- Strong student support systems;
- Links with employers in industry and commerce; and
- Links with Local Enterprise/ Skills and Improvement Partnerships.

Further information and examples of the delivery of public benefit are covered throughout the remainder of the Members' Report including the Strategic Report.

Financial objectives

The College's general financial objectives were revised in October 2024, having previously been approved by Governors in June 2017. The objectives are as follows:

NATURE, OBJECTIVE AND STRATEGIES (continued)

Financial objectives (continued)

In 2023/24, 3 of the 6 financial objectives were met.

Objective	2023/24	Met
Cash days of not less than 40	73	Met
An adjusted current ratio of 2.0:1 – 2.5:1	2.1:1	Met
EBITDA using ESFA education specific definition, of above 5% of income	3.67%	Not Met
Borrowing as a % of non-endowment reserves of less than 15%	3.84%	Met
Staff costs (excluding restructuring costs) not to exceed 70% of income	70.9%	Not Met
Financial health of "Good" (which is currently 180 points)	220	Met

Cash days are at 73 days, this is due to the cash at 31 July 2024 containing c.£600k of unspent capital grants, adjusting for this would make the cash days 43 days – which would still meet the objective. Staff costs have increased to 70.4% (69.4%, 2023) as a proportion of income, which is above the sector benchmark. The College's indicative financial health score of 220, grades as "Good" and improves from the 2022/23 assessment.; although it should be noted that this is currently an estimate. Governors and managers remain confident that the underlying position and performance of the College remains robust.

Investment Fund Objectives

The College's investment fund financial objectives were revised in February 2014 and are as follows:

- To review fund management objectives at regular intervals and in response to changing market conditions.
- To achieve a balance between income and capital growth.
- To achieve a total return of "inflation plus 4%".
- To invest the funds in Newton's Global Growth and Income Fund for Charities (GGIFC).

At 31 July 2024, all investments were held with Newton (BNY Mellon).

NATURE, OBJECTIVE AND STRATEGIES (continued)

Investment Fund Objectives (continued)

At 1 August 2023, the investment portfolio was valued at £5.91 million. The investment income received during the year was £140k, which equates to 2.4% of the opening valuation. The portfolio value increased significantly to £6.38 million by 31 July 2024, representing an improvement of c.8%.

Performance indicators

Ofsted Inspection:

Working Men's College's most recent inspection took place in February 2024.

The College's grades awarded by Ofsted were:

Overall effectiveness	Good
Adult Learning Programme	Good
Quality of Teaching, Learning and Assessment	Good
Personal Development, Behaviour and Welfare	Good
Outcome for Learners	Good

Grant Funding

The College's performance against the funding agencies, Education and Skills Funding Agency's (ESFA) and GLA revenue and learner number targets in 2023/24 is set out below:

Funding for Adults

Funding Category		Target (allocation) (GLA/ESFA)	Actual outturn (Final claim)	Performance (%)
Adult (19+) Learner Responsive Funding	Adult Education Budget (AEB)	£5,276,413	£5,360,497	102%

Although the overall performance against target allocation looks positive, the overall value is made up of 3 separate allocations each with their own performance thresholds. Each allocation has a minimum performance threshold of 97%. Failure to achieve this minimum results in a clawback value, which is calculated as the difference between the actual Threshold achieved and the 100% target.

The GLA has confirmed that over performance up to 106% will result in additional payments being received by the college. Whereas the ESFA have set their over performance threshold at a maximum of 110%.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Grant Funding (continued)

Funding for 16-19 Year Olds

Under the ESFA lagged funding rules, the College will receive the target funding value for the year and any over or under performance will be taken into account in funding allocations for future years.

The College exceeded the contract value by 22%. However, because of the lagged funding rules this overachievement will not be recovered until next year.

Other Income

The table below shows the proportion of the College's income received in the form of direct funding body grants for the last five years:

Year	Direct Grants £'000	Total income £'000	Percentage %
2019/20	4,765	5,373	89%
2020/21	4,977	5,634	88%
2021/22	5,285	6,055	87%
2022/23	6,121	7,038	87%
2023/24	6,267	7,247	86%

The proportion of College income derived from direct grant funding (2023/24: 86%) has remained constant compared to the previous year (2022/23: 87%). Although increasing, tuition fee income still only represents just over 10% of total income.

The College is committed to reducing its dependence on direct funding body grants through expansion of provision sponsored by employers, the development of a short course offer in winter and summer, the potential of corporate offers, and full cost courses.

The amounts received by the College through adult learning loans, for learners aged 19 or over who are studying at level 3 or higher, are included in the fee income. These have been proven to be a lot more popular with learners this year and contributed £33k of fee income in 2023/24 (2022/23: £49k).

The College keeps the level of fees under constant review to optimise income while ensuring that adult education remains accessible to as many people as possible, some of whom can afford full-cost courses. The majority benefit from GLA/AEB grant provision and enroll on subsidised courses, and some provision at nil cost.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Learner Numbers

In 2023/2024 there were 3,840 learners of which 2,845 were female and 995 males. There were 10,0665 enrolments in the College, mostly on part-time courses ranging from one 2 hour session to a full 3 days per week and including the learners enrolled on courses in the community. Overall learner numbers increased by 132.

Learner Performance

In 2023/24 enrolment numbers were 2% higher than in 2022/23. Achievement rates for accredited courses, 85%, were slightly higher than last year (83%), whereas achievement on non-accredited courses, 93%, has decreased by 1% compared to last year (94%).

Wider outcomes are captured through a range of learner surveys and feedback forms. From 2021-22 a "confidence gains" survey has been issued to learners at the end of their courses in ESOL, English, Maths, Health and Wellbeing, Supported Learning and Community courses. Learners are asked whether their course has increased their confidence in a range of activities and situations that they encounter in their daily lives, such as talking to healthcare professionals, the Council, the JobCentre Plus, their landlord, neighbours, staff at their children's school, or when shopping, at work, engaging in job search, managing their personal budget, time management, using transport etc. The College also issues a learner survey to all learners gathering information about satisfaction with the College and their course as well as participating in the mandatory London Learner Survey which measures outcomes and where the College achieved one of the highest levels of participation in London. The level of satisfaction in the College survey increased significantly from previous years in all questioned areas.

Curriculum Developments

Curriculum teams have continued to review the range of provision and develop progression opportunities, with a greater emphasis on qualification achievement and employment outcomes for learners. Whilst retaining the essential ethos of the College, the ongoing drive to develop opportunities for formal accreditation alongside the well-established, non-accredited provision has continued, with a further increase in external accreditation in the vocational curriculum and arts, and a review of the qualifications offered. The increasing need to be highly responsive to the need for retraining and refocusing on new skills and readiness for work continues to be a focus for the College over the past year and will be continued for the foreseeable future.

The College offers a range of services to support learners outside of their formal classroom provision. The Learning Centre and the Library (which has recently been refurbished) provide supported learning for study outside the classroom. These facilities have an important role in assisting learners with limited IT skills or connectivity to maximise the benefit from their main course. Support for job search, the National Careers Service and employability skills coaching is based in the Learning Centre and Library.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Curriculum Developments (continued)

The table below shows student overall achievement for all College courses, as reported in the College self-assessment report.

Accredited Learners

Year	Retention	Pass rate	Overall achievement	Attendance
2022/23 Actual	92%	90%	83%	85%
2023/24 Actual	96%	89%	85%	86%
Percentage point change 2023/24 over 2022/23	4%	-1%	2%	1%

Non-Accredited Learners

Year	Retention	Pass rate	Overall achievement	Attendance
2022/23 Actual	94%	99%	94%	87%
2023/24 Actual	94%	99%	93%	88%
Percentage point change 2023/24 over 2022/23	0%	0%	-1%	1%

Other External Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as overall achievement rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The Finance Record produces a financial health grading. Under the ESFA's new methodology for calculating the grade, the College indicates a "Good" rating for 2023/24 and "Good" for the 2024/25 budget. As previously stated the College underwent an Ofsted inspection in February 2024, with the grading being 'Good'.

FINANCIAL POSITION

Financial results

The College reported a fifth year of operating deficit at £69k for the year to 31 July 2024 (2023: £57k deficit). Whilst another year of operating deficit is disappointing, the College performed strongly against the budgeted operating deficit of £292k, cash will continue to be strictly monitored and costs will be tightly managed to ensure the College delivers the budget set for 2024/25.

FINANCIAL POSITION (continued)

The College expended £1.1m on new tangible fixed asset additions during the year, of which £188k was computer equipment and £918k related to other building improvements, furniture, fixtures and fittings; including c.£300k on refurbishing the College's library. At the end of the year, the College owned tangible fixed assets with a net book value of £8.92 million of which £8.55 million related to buildings and building improvements, £367k related to computer and other equipment, fixtures and fittings.

Investments

The College's performance on its endowment investment portfolio is set out in note 9 to the accounts. The portfolio generated an income return of £140k during the year and increased in value by £471k. The portfolio had a market value of £6.38 million at the balance sheet date (2023: £5.91 million).

Total comprehensive income in 2023/24, stated after investment gains, was a surplus of £402k (2022/23: £156k deficit)

Reserves

The College has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. As per the College Financial Handbook, a reserves policy will be in place for 2024/25.

As of 31 July 2024, general income and expenditure funds totaled £10.78 million, compared to the 2023 total of £10.57 million. The College also held restricted funds and endowments totaling £3.05 million (2023: £2.81 million). These funds have been given to the College for purposes specified by donors and therefore are not available to the Corporation for general use although some of the endowments are classified as expendable.

It is the intention of the Corporation to maintain a balance in the level of reserves between providing adequate levels of contingency and investing in projects that will develop the College and support delivery of the strategic plan.

Treasury policies and objectives

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

Cash Flows and Liquidity

There was a net cash inflow for the year of £151k (2023: inflow of £921k). This is a result of several factors but primarily due to an operating inflow of £583k being offset by an investing outflow of £316k (capital grants received in year less expenditure on fixed assets (which were mainly funded by grants received in 22/23 and 23/24)).

FINANCIAL POSITION (continued)

Long Term Loans

The College has two existing long-term loans at fixed rates of interest: one with Lloyds Banking Group for £1,000,000, drawn down in July 2007 and the other with Barclays for £500,000, drawn down in July 2008. Both loans were taken out to support the major capital building improvement works programmes at the College's Crowndale Road site. On 31 July 2024, the total loan principal outstanding was £432k (2023: £533k), of which £261k is owed to Lloyds and £171k to Barclays. The College has not breached any of the loan covenants on either loan and does not foresee a risk of that happening within the current planning horizon.

The College keeps the loans under review and whether they should be paid down early in full or in part. Currently, the Governors consider the financial penalty for early payment of a fixed term loan does not represent value for money.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 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%. During the accounting period 1 August 2023 to 31 July 2024, the College considers that it achieved the majority of invoices processed with no disputed costs. There is one supplier with disputed costs but the College has not incurred any interest charges or late payment fees.

Restructuring

The College continued to keep its staff structure under review to ensure it remains fit for purpose, affordable and able to provide the best possible service to learners. The College incurred £nil (2023: £nil) contractual and £nil (2023: £nil) of non-contractual restructuring costs.

Future developments

Aligned to the Mayor's skills agenda, The College has continued to develop a stronger and expanded employability provision to support those finding themselves unemployed or needing to change career or the sector in which they work. This includes working with community partners and external agencies such as 'LIFT' in Camden, 'Proud to Care, Bluebird and In2ed recruitment agency. We work with the JCP, and National Career Services staff based in the JCP in Kentish Town who provide referrals to WM College ESOL and vocational courses and our employability support provision. The College has developed a tracking system to ensure all activity is captured centrally and that engagement with the skills agenda can fully integrated into the new College strategic plan.

FINANCIAL POSITION (continued)

Whilst the College respects the spirit of the funding guidance on charging participants (pound plus), - it will continue to refine its approach to charging fees on Community Learning funded courses to ensure that courses are accessible to all and finance is not a barrier to learning. It recognises the need to appropriately increase fee income for some courses in order to subsidise others and increased fees by 5% for 2023-24 for community provision whilst maintaining a 50% discount for those eligible for concession.

RESOURCES

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

Financial

Tangible resources, have a book value of £8.92 million, and include the main site at Crowndale Road. At the time of writing there is a second centre in Kentish Town owned by the London Borough of Camden and used by the College on a tenancy-at-will basis.

Financial resources include investments and endowments totaling £6.38 million at the balance sheet date plus short-term deposits and cash holdings of £1.45 million offset in part by long term debt of £432k. The budget and cash flow forecasts for 2024/25 and beyond demonstrate that the College will continue to have sufficient resources available to it to meet obligations as they fall due and maintain operations.

People

Human resources comprised of a staff base of 119 full-time equivalents, of whom 61 were teaching staff, and a headcount of 204 (131 teaching). The College makes extensive use of subject specialists, many of whom teach part time at the College whilst also working in their specialist industry.

Reputation

The College has a strong reputation locally, based on the quality of services, the breadth of community involvement and the continuing interest in long and distinguished history, as well as the benefit of an Ofsted "Good" rating.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has developed strategies for managing risk and has embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation and enable it to respond in a timely and proportionate manner to changing circumstances.

The SLT regularly reviews the risks the College is exposed to. The members identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are implemented and internal audit work and other monitoring throughout the year helps appraise their effectiveness and progress against risk mitigation actions. The SLT also considers the impact of the latest government guidance and rules as well as any risks which may arise because of new or changed areas of work being undertaken by the College.

A risk register is maintained at College level and formally reviewed at EMG meetings. The risks are assigned to the most relevant committee of the Corporation and reviewed at termly meetings of those committees and then annually by the full Board. The risk register identifies the key risks, systems and procedures to control them, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the SLT during 2023/24. Not all the factors are within the College's direct control.

1. Government Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies.

In 2023/24, 86% of the College's income was publicly funded.

The College maintains an objective of reducing dependence on state funding but recognises that it will remain the dominant source. Government funding helped to maintain financial stability during the pandemic and provides some protection from the wider economic volatility. The College is aware of several issues which may impact on future funding and associate income: Inflation, energy costs, wage increases not matching increased income, and ongoing changes in government priorities such as:

- Following the devolved AEB budget to the GLA in 2019, the implementation of the Mayor of London's Skills Roadmap (Jan 2022) and how this will be reflected in individual College funding allocations in future.
- How the College's 'curriculum intent' (Ofsted Education Inspection Framework) is responsive to the LSIP, and how well the WMC Accountability Statement reflects local priorities.
- How the College provision takes best advantage for its learners of the JSFL and plans robust progression to Level 3.

- How well the College is able to meet the 'Multiply' funding allocation. However, with the Multiply programme ending shortly, this risk will be reduced over time.
- Whether the College provides adequate employability support for learners and tracks job outcomes.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training;
- Considerable focus and investment of time is placed on maintaining and managing key relationships with funding bodies and sector organisations, including the GLA staff, so that they understand the circumstances, challenges and potential of the College and the College ensures compliance and collaboration
- Employing a dedicated manager to deliver the Multiply programme in the community.
- The employment of an Employer engagement manager.
- Increasing links with employers to ensure that provision remains relevant to work and skills needs;
- Promoting examples of how successful learners progress into the labour market;
- Collaborating with other Institutes of Adult Learning as appropriate.

2. Tuition Fee Policy

In line with the majority of other colleges, WM College will seek to increase fees incrementally in accordance with inflation. The College values strongly the principle of access to learning being available to everyone, regardless of financial circumstances. It will continue to hold these two objectives in balance. The risk for the College is that demand falls off as fees increase and this will impact on the growth strategy of the College.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training demonstrating value for money for students;
- Close monitoring of demand for courses as prices change and responding swiftly and appropriately;
- Market research to establish demand, willingness to pay and price elasticity;
- Marketing incentives and campaigns to encourage and incentivise enrolments;
- Flexible fee payment opportunities and methods including instalment plans;
- Bursary support for those not eligible for the concession.

3. *Inflationary increase and cost not met by increase in funding and over-expenditure in non- staff costs could result in a financial deficit for the year.*

With the rise in the cost of living, the College is under huge pressure to increase pay in line with inflation. This is not met by funding as the College has very few 16 to 18 year olds. who have been allocated funding by the DfE to pay for wage increases. Adults do not attract increased funding. The budget provided for a 2.5% cost of living salary increase in 2024, but this will potentially need to be increased in line with AoC and DfE recommendations.

The College has received £1.36 million (in 2022/23 and 2023/24) from the DfE for capital projects. Given the nature of the grade 2 listing of the building, the schedule of work that needs doing to maintain and renovate it to modern and safe standards, and the increase costs of building contracts, the College could overspend.

The risk is mitigated in a number of ways:

The risk is mitigated in a number of ways:

- By carefully managing pay increases to benefit those on lower wages whilst staying within the overall college budget.
- To manage communication to staff to be transparent about the rationale, in line with the College ethos of equality and fairness.
- To control staff recruitment and not automatically replace leavers.
- The careful planning of required works on the estates, over a 3 to 5 year period and not exceed the available funds.

4. *Cyber Security*

Cyber security continues to be one of the biggest threats to College operations and data protection in 2023/24. The impact can be devastating and incur significant costs, extended interruption to teaching and learning and compromise enrolments, and is particularly concerning given some of the cyber-attacks that have occurred on other organisations.

The risk is mitigated in a number of ways:

- The College has successfully gained it's Cyber Essentials accreditation in Autumn 2023.
- The College has implemented 2 factor authentication for both staff and learners.
- Student and staff induction has a full IT 'Acceptable use' mandate.
- The College is committed to undertaking a full and comprehensive internal audit on cyber security in 2024/25.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

5. *Health and Safety and Accessibility*

Built in 1904, bringing the main building of the College up to modern requirements is challenging. As a result of this there were many risks identified, such as the lack of suitable fire doors, and the evacuation processes in the event of a fire being challenging, particularly for those with mobility impairment.

The risk is mitigated in a number of ways:

- At the time of writing, new evacuation lifts have been installed and fire doors are in the process of being installed. These are works had been previously identified as part of a stock condition survey.
- A Health and Safety internal audit was carried out in 2024, which identified risks in regard to fire evacuations, the recording of health and safety training, and the recording of risk assessments.
- As a result of the above, regular fire evacuations are now being carried out (with the actions being recorded), a health and safety training matrix being created to provide assurance that staff have undertaken the relevant training for their roles, and risk assessments now being centralised. This has been reflected by the reduction severity of these risks in a follow up Health and Safety internal audit carried out in July 2024.
- Using forums such as the Health and Safety committee to ensure that health and safety risks are identified, and that health and safety remains a priority at the College.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and educational institutions, the Working Men's College has many stakeholders and an extensive range of relationships with local people and groups. These include:

- the College's own students and staff;
- funding bodies, especially the Education and Skills Funding Agency and the Greater London Authority;
- the London Borough of Camden;
- a range of local employers;
- Local Enterprise Partnerships (LEPs);
- local community groups, including the Somers Town Big Local for whom the College acts as the "Local Trusted Organisation (LTO);"
- the other Institutes of Adult Learning (IALs), especially the four based in London;
- local FE colleges;
- the FE Commissioner; and
- trade unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a range of media and methods.

STAKEHOLDER RELATIONSHIPS (continued)

Community Responsiveness and Employer Engagement

The College has been implementing a successful community engagement strategy for many years. The community provision continues to reach students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. These working relationships help identify and target disadvantaged learners in Camden. Further information on these aspects of the College's work can be found in the Self-Assessment Report available via the College website or on application to the Clerk to the Corporation. The College has also employed an Employer Engagement manager.

Educational Links

The College has a wide variety of strategic links with other educational institutions.

The Greater London Authority (GLA) became the College's principal funder for adult education from August 2019 whilst the Education and Skills Funding Agency (ESFA) remains the funder for all 16-19 activity and for adult funding for learners living outside the London boroughs controlled by the GLA.

The group of five London IALs – the Working Men's College, the Mary Ward Centre, City Lit, Morley College, and Richmond and Hillcroft Adult Community College – have a very long-standing partnership which is used in a variety of constructive ways to address national, regional and local priorities. Closer working and a new common identity as the London Adult Learning Institutions has enabled some joint initiatives to be developed effectively.

Staff and Student Involvement

The College considers good communication with staff and students to be vital. The Corporation includes two staff members and one student member and the Curriculum Quality and Standards Committee includes all academic managers. Staff and student bulletins and newsletters were produced during the year and a regular Principal's Update issued to all staff to increase communication during the Covid-19 pandemic is now well established. The College Intranet is also used to facilitate communication with staff.

Most of the working parties and development groups within the College include staff and student representation. Sometimes it is difficult to secure the level of staff and student participation that is desirable because of the high proportion of teaching staff and students who are part-time.

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. The following information relates to the period from 1 April 2023 to 31 March 2024 as required by the Regulations and is also made available on the College's website.

Relevant union officials

Number of employees who were relevant union officials during the relevant period: 2	Full-time equivalent employee number; 0.4

Percentage of time spent on facility time

Percentage of time - %	Number of employees
0	0
1-50	2
51-99	0
100	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,907
Total pay bill	£4,103,000
Percentage of the total pay bill spent on facility time,	0%

Paid trade union activities

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

EQUAL OPPORTUNITIES STATEMENT

Equality and Diversity Statement

The College is committed to promoting equality of opportunity in all aspects of its operations for all who learn or work at the College. It recognises its legal responsibilities, respects and values all differences and individual choices and takes all reasonable steps to ensure there is no discrimination against any student, member of staff or the public, on the grounds of race, gender, sexual orientation, disability, religion or belief and age. Monitoring systems have been introduced and performance targets identified. The College's Equality Policy is published on its website and produces an annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010.

Employment of disabled persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those of non-disabled employees.

Disability Statement

A key purpose of the College is to be a learner-centred college dedicated to providing opportunities for lifelong learning for the diverse range of London adults who may not be able to study full time, particularly those who have missed out on their initial education.

As part of its commitment to inclusive education and equality of opportunity, the College welcomes students with learning difficulties. The College endeavours to be flexible and match the learning support to each student's individual needs and achieve the objectives set down in the Equality Act 2010.

The College employs a full-time Disability Officer to promote awareness and implementation of this statement and supporting policies.

The aims of the College include:

- identifying and responding to individual student needs, to improve continually students' learning experience;
- ensuring all students achieve their full potential through the provision of a high quality student centred learning environment;
- actively promoting equality of opportunity for all students;
- ensuring appropriate steps are taken to guarantee that a disabled learner is not placed at a substantial disadvantage in comparison with a learner who is not disabled.

EQUAL OPPORTUNITIES STATEMENT (continued)

A range of courses for learners with learning difficulties or disabilities are available, which provide learning in smaller groups and at a pace that increases these learners' ability to achieve their learning aims and progress to further study or employment.

Safeguarding and Prevent

The College fully recognises its responsibility to promote safe practice and to protect and safeguard the welfare of everyone working and studying there. Governors and managers believe that learning takes place most effectively within a culture in which all individuals trust the College to keep them safe from harm while there and give them information, advice and help to keep themselves safe from harm at other times. There are clear processes and procedures in place should anyone have a concern and the College works with a number of external agencies to support learners to remain in learning, including the FE Prevent coordinators.

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITOR

The Governors 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 Governor 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.

The members' report including the strategic report was approved by the members of the Corporation and signed on their behalf on 11 December 2024 by:

Chair:

Joanna Davidson
11/12/24

Joanna Davidson

Statement of Corporate Governance and Internal Control 31 July 2024

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 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- 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" version "review September 2021 adopted on 30 March 2023)
- iii. In July 2024 the College adopted the most recent revision of the Association of Colleges Code (2023) to operate from August 2024

In the opinion of the Governors, the College complies with the provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on a review of compliance with the Code and Governance conducted at the Board on 10 July 2024 prior to the adoption of the 2023 revision.

An external board review was undertaken by HfL Education in early 2024 and reported to the Board in June 2024 with a summary of outcomes agreed with HfL Education and published on the College website.

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 in 2015 as amended in 2019. The 2015 version was adopted in 2016, - the Remuneration addendum was adopted when added and then a more recent version was adopted on 04 July 2023. The 2023 version was adopted in July 2024 to come into force for the 2024/25 year and beyond.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the AoC Code as updated and amended from time to time. The College has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, it has reported on Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code considered to be relevant to the further education sector and best practice.

THE CORPORATION

Governors of the Corporation

The Governors who served on the Governing Body, as well as committee Co-optees, during the period and up to the date of signature of this report were as follows:

Name	Date Last Appointed/ Reappointed	Date First Appointed	Term of office	Date Resigned	Status of Appointment	Committees	Full Corp'n Meetings Attended
Amanda Blinkhorn	31/03/2024	21/03/2018	3 Years		Nominated Tchng Staff	Q	5 of 5
Susan Corby	05/07/2023	15/07/2020	3 Years		Appointed	F, Q, R	5 of 5
Fran Fahey	30/03/2022	03/04/2019	3 Years		Appointed	F	3 of 5
Dipa Ganguli	01/09/2023	01/09/2023	Ex Officio		Principal Nominated	F, Q, S	5 of 5
Neil Garner	05/07/2023	15/07/2020	3 Years	30/05/2024	Appointed	A	3 of 3
June Jarrett	04/07/2023	12/07/2017	3 Years		Appointed	Q	5 of 5
Samata Khatoon	23/03/2021	21/03/2018	3 Years	30/03/2024	Appointed	Q	2 of 3
Monika Kinasiewicz	01/11/2022	01/11/2019	3 Years		Nominated Bus. Staff	Q	5 of 5
Alexi Marmot	30/03/2023	11/12/2013	1 Year	28/03/2024	Appointed	F	3 of 3
Peter Knowland	14/12/2023	14/12/2023	1 Year		Nominated student governor	Q	3 of 3
Ben Lonsdale	14/12/2023	14/12/2023	3 Years		Appointed	F	2 of 3

Statement of Corporate Governance and Internal Control 31 July 2024

Lukas Mandangu	14/12/2023	14/12/2023	3 Years		Appointed	A	2 of 3
Tom Robins	30/03/2022	30/03/2022	3 Years		Appointed	A	5 of 5
Maria Rosenthal	1/10/2022	1/10/2022	Ex Officio	31/08/2023	Interim Principal	F, Q, S	
Alice Rubbra	30/03/2022	30/03/2022	3 Years		Appointed	F	4 of 5
Guy Shackle (Chair)	23/03/2021	21/03/2018	3 Years	28/03/2024	Appointed	R, S, Q, F	3 of 3
Jon Sibson	30/03/2022	03/04/2019	3 Years		Appointed	Q (Ch), F, R	5 of 5
Max Silver	28/03/2024	31/03/2021	3 Years		Appointed	F, R	5 of 5
Joanna Davidson (Chair)	28/03/2024				Appointed		1 of 1
Cameron Walkinshaw	04/07/2023						4 of 4

Key	Committee	Number of meetings in 2023/24
A	Audit	4 meetings
C	Curriculum, Quality and Standards	3 meetings
F	Finance, Personnel and Development	3 meetings
S	Search	3 meetings and attendance at stages of the new Chair's selection and interview
R	Remuneration	Business was conducted through the Search Committee which determined appointments and remuneration of Senior Post Holders

The Governors all attended Strategy Days on Saturday 3rd February 2024 and on Saturday 21st September 2024.

Statement of Corporate Governance and Internal Control 31 July 2024

The Working Men's College is a company limited by guarantee and its Appointed Governors are also Members of the company. Every Member undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, such amount as may be required but not exceeding five pence.

Bill Barker was the Clerk to the Corporation and Company Secretary throughout the period August 2023 – July 2024 and until 21 October 2024 when Joanne Luff assumed the role.

Fellows of the Corporation

In January 2020, the Search Committee agreed to propose additional 6 year terms of office for existing Fellows and 6 year terms of office for other recently retired governors. Further development was paused during the Covid-19 pandemic but has since restarted. In September 2022 the College took part in the Open House London weekend with many Fellows attending or speaking at event workshops.

During the year the contributing editors of the new College history book, a sequel to the 1954 publication by JFC Harrison, secured a contract with Routledge (Taylor and Francis) which was published in July 2024 - The Working Men's College and the Tradition of Adult Education

Current Fellows are:

- Selwyn Midgen
- Bipin Patel MBE
- Dame Ruth Silver
- Baroness Janet Whitaker
- Satnam Gill OBE
- Lucy de Groot
- Abdul Qadar
- Nigel Franklin
- David Offenbach
- Professor Tom Schuller
- Paula Whittle

The governance framework

It is the corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The corporation is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The corporation and its sub committees meet as a minimum termly, but often more often in response to circumstances.

Statement of Corporate Governance and Internal Control 31 July 2024

The corporation conducts its business through a number of committees. Each committee has terms of reference, which are reviewed annually and approved by the corporation. These committees are Curriculum Quality and Standards, Finance Personnel and Development, Audit, Remuneration and Search. Full minutes of all Board meetings, except those deemed to be confidential by the corporation, are available on the college's website (wmcollege.ac.uk) or from the clerk to the corporation at the college's registered address.

The clerk to the corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the college's expense and have access to the clerk to the corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the clerk are matters for the corporation as a whole.

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

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.

Appointments to the corporation

Any new member appointments to the corporation are a matter for the consideration of the corporation as a whole. The corporation has a search committee, consisting of four 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 induction/ training is provided as required.

Members of the corporation are appointed for a term of office of 3 years – the maximum term is 3 terms of 3 years – as provided for by the Memorandum and Articles of Association.

Corporation Performance

The corporation commissioned an External Board Review in 2023/24. This is reported above.

Statement of Corporate Governance and Internal Control 31 July 2024

Remuneration Committee

Throughout the year ending 31 July 2024 the college's Remuneration Committee's responsibilities were to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

The Search Committee oversaw the appointment of the Chair.

Details of remuneration for the year ended 31 July 2024 are set out in note 5 to the financial statements.

Audit Committee

The Audit Committee comprises three members of the corporation (excluding the Accounting Officer and Chair) and a co-opted member.

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 auditors, 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 auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work if any commissioned as well as reporting annually to the corporation. No non-audit work was commissioned during the period.

The audit committee met three times in the year to 31 July 2024. The members of the committee and their attendance records are shown below:

Committee member	Meetings attended
Tom Robbins	4 of 4
Neil Garner	4 of 4
Lukas Mandangu	2 of 2
Cameron Walkinshaw	4 of 4

Cameron Walkinshaw is a co-opted member of the committee but is not a member of the College Board.

INTERNAL CONTROL

Scope of Responsibility

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

The corporation has delegated the day-to-day responsibility to the Principal as Accounting Officer for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between WM College 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 WM College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the corporation.

The Risk and Control Framework

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

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governing Body;

- Regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines where appropriate.

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

Risks faced by the Governing Body

The corporation receives an annual report on risk management and the risk management policy. This is reviewed before the signing of the financial statements,

During the year the risks falling within the remit of each committee are reviewed at each meeting of the committee.

Control Weaknesses Identified

The internal scrutiny work during the year resulted in one high risk, six medium risk and 6 low risk recommendations, with the high-risk recommendation arising in the work completed on procurement and changes to supplier's bank details. Although changes to a supplier's bank details occur infrequently, the College has addressed this issue and has already put in place a process to verify and evidence any change in a supplier's bank details.

Responsibilities under Funding Agreements

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 (which has now been issued). The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required. Furthermore, the College has updated the terms of reference of the Finance Personnel and Development Committee and the Audit Committee to take account of the additional responsibilities accruing in consequence of ONS re-classification.

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 2023/24 and up to the date of the approval of the financial statements are:

- Internal audit reports in the following areas:
 - Human resources – significant assurance
 - Budget setting and control (November 2024) - reasonable assurance
 - Health and Safety– limited assurance, which increased to reasonable assurance in a follow-up

Reasonable progress was also made in respect of follow up to previous recommendations by the internal auditors

- CPD sessions included:
 - Implications of ONS re-classification
 - Analysis of reserves and endowments and consideration of steps required for potential de-restriction
 - Anti-Fraud (risk management) – consideration of plagiarism and AI and implication accreditation as an exams centre.
 - Cyber Security **Essentials and Certification**

Review of Effectiveness

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

- The work of internal auditors and any additional external assurance providers;
- 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 in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of the 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.

Statement of Corporate Governance and Internal Control 31 July 2024

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2024 meeting, the corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2024.

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 Governing Body on 11 December 2024 and signed on its behalf by:

Joanna Davidson



Chair of the Governing Body

Date: 11 December 2024

Dipa Ganguli



Accounting Officer

Date: 11 December 2024

Statement on regularity, propriety and compliance 31 July 2024

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 GLA and has considered its responsibility to notify ESFA or GLA 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 the ESFA and GLA, or any other public funder. This includes the elements originally outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding 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 the ESFA or GLA.



Dipa Ganguli

Accounting Officer

Date: 11 December 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.



Joanna Davidson

Chair

Date: 11 December 2024

Statement of governors' responsibilities 31 July 2024

The Governors of the Corporation (who are trustees for the purposes of the Charities Act and whose Appointed Governors are also the directors of the company for the purposes of the Companies Act) are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's grant funding agreements and contracts with the Education and Skills Funding Agency (ESFA) and the Greater London Authority (GLA), the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice (GAAP), and which give a true and fair view of the state of affairs of the Corporation and its deficit of income over expenditure for that year.

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

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

The Corporation is also required to prepare a Strategic Report 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 College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the Working Men's College website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of governors' responsibilities 31 July 2024

Governors 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 the ESFA and GLA, and any other public funds, are used only in accordance with the ESFA's and GLA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by the ESFA, GLA or any other public funder, including that any transaction entered into by the corporation are within the delegated authorities originally set out in the "Dear Accounting Officer" letter of 29 November 2022 and ESFA's bite size guides. Governors of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, Governors of the Corporation are responsible for securing economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and GLA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 11 December 2024 and signed on their behalf by:


Joanna Davidson

Chair

Date: 11 December 2024

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Independent auditor's report to the Members of the Corporation of the Working Men's College

Opinion

We have audited the financial statements of Working Men's College Corporation (the 'College') for the year ended 31 July 2024 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves and balance sheets, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2023 to 2024 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 2024 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education (the 2019 FE HE SORP) and the Accounts Direction 2023 to 2024 issued by the ESFA;
- 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;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members of the Governing Body are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report, which is also the Directors' report for the purposes of company law and includes the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- certain disclosures of members' remuneration specified by law are not made.

Responsibilities of the Governors

As explained more fully in the statement of responsibilities of members of the Governing Body, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Governing Body meetings;
- enquiring of management as to actual and potential litigation and claims; and

- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2024

Independent Reporting Accountant's Report on Regularity

To: The Governing Body of Working Men's College and the Secretary of State for Education, acting through the Education and Skills Funding Agency (the ESFA)

In accordance with the terms of our engagement letter dated 16 May 2024 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Working Men's College Corporation during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the Governing Body of Working Men's College Corporation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Governing Body of Working Men's College Corporation and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the Governing Body of Working Men's College Corporation and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Working Men's College Corporation and the reporting accountant

The Governing Body of Working Men's College Corporation is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by the Code our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL



Date: 17 December 2024

Statement of comprehensive income Year to 31 July 2024

	Notes	2024 Total funds £'000	2023 Total funds £'000
Income:			
Funding body grants	1	6,267	6,121
Tuition fees	2	776	675
Other operating income	3	64	88
Investment income	4	140	154
Total		7,247	7,038
Expenditure:			
Cost of generating funds		-	4
Staff costs	5	5,134	4,883
Other operating expenses	6	1,518	1,519
Depreciation	8	636	653
Interest and other finance costs	7	28	36
Total		7,316	7,095
Operational deficit before other gains and losses and before tax		(69)	(57)
Gains/(Loss) on listed investments	9	471	126
(Loss)/Gains on investment property	10	-	(225)
Surplus/(Deficit) before tax		402	(156)
Taxation		-	-
Total comprehensive expenditure for the year		402	(156)
Represented by:			
Restricted comprehensive income		47	21
Endowment fund income		188	50
Unrestricted comprehensive income/(expenditure)		167	(227)
Total comprehensive (expenditure) for the year		402	(156)

Balance sheet 31 July 2024

	Notes	2024 £'000	2023 £000
Fixed assets			
Tangible fixed assets	8	8,915	8,444
Listed investments	9	6,378	5,907
Investment property	10	1,500	1,500
		16,793	15,851
Current assets			
Debtors	11	404	604
Cash at bank and in hand		1,454	1,324
		1,858	1,928
Liabilities			
Creditors: amounts falling due within one year	12	(1,206)	(1,443)
Net current assets		652	485
Total assets less current liabilities		17,445	16,336
Creditors: amounts falling due after more than one year	13	(3,658)	(2,951)
Total net assets		13,787	13,385
Endowments			
Permanent		336	309
Expendable		2,210	2,049
		2,546	2,358
Restricted reserves			
Restricted reserves		503	456
Unrestricted reserves			
Income and expenditure account		10,738	10,571
Total reserves		13,787	13,385

The financial statements on page 43 to 65 were approved by the Governing Body on 11 December 2024 and were signed on its behalf by:

Joanna Davidson
Joanna Davidson
Chair

R. Ganguli
Dipa Ganguli OBE
Principal and Accounting Officer

Company number 00008894

Statement of changes in reserves Year to 31 July 2024

	Income & expenditure reserve £'000	Restricted reserves £'000	Endowments £'000	Total reserves £'000
Balance at 1 August 2022	7,841	3,392	2,308	13,541
Surplus/(Deficit) from the income and expenditure account	(215)	9	50	(156)
Transfers between restricted and income and expenditure reserves	(12)	12	-	-
Total comprehensive income/(expenditure) for the year	(227)	21	50	(156)
Reclassification of reserves	2,957	(2,957)		
Balance at 31 July 2023	10,571	456	2,358	13,385
Surplus from the income and expenditure account	167	47	188	402
Transfers between restricted and income and expenditure reserves	-	-	-	-
Total comprehensive income for the year	167	47	188	402
Reclassification of reserves (note 20)	-	-	-	-
Balance at 31 July 2024	10,738	503	2,546	13,787

Included within restricted reserves at the balance sheet date is an amount of £236k (2023: £219k) which relates to the assets of the former Francis Martin College Charitable Foundation (Emily Pfeiffer endowment). The Working Men's College Corporation is the corporate trustee of the Francis Martin College charity (registered charity number 312802). The assets are invested in the Newton Growth and Income Fund for Charities alongside the investments of the Working Men's College Corporation.

Statement of cash flows Year to 31 July 2024

	Notes	31 July 2024 £'000	31 July 2023 £'000
Net cash inflow from operating activities	15	583	67
Investing activities			
Income from investments and endowments		140	154
Purchase of tangible fixed assets		(1,106)	(266)
Receipts of new capital grants		650	1,098
Net cash provided by (used in) investing activities		(316)	986
Financing activities			
Interest payable		(28)	(36)
Capital element of finance lease rental payments		(8)	-
Capital element of bank loan repayments		(101)	(96)
Net cash used in financing activities		(137)	(132)
Increase/ in cash and cash equivalents in the year		1,324	921
Cash and cash equivalents at the beginning of the year		130	403
Cash and cash equivalents at the end of the year	16	1,454	1,324

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2023-24 and in accordance with Financial Reporting Standard 102: - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. In order to present a true and fair view, the College has not followed the provisions of the Companies Act 2006 regarding the format of the financial statements where these are not appropriate to the College's activities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of listed investments and the investment property.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members' Report including the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College had at 31 July 2024 £432,000 of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 4 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable, the extent of the completion of the contract or service concerned and depend on the particular income stream involved.

Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, 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 stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment Income

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

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements from the ESFA or Department for Education. Related payments received from the funding bodies and subsequent disbursements to learners are excluded from the income and expenditure of the College where the College is exposed to minimum risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension scheme. The TPS is a defined benefit plan which is externally funded and contracted out of the State Second Pension. The group personal pension plan is a defined contribution plan.

Teachers Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the comprehensive income statement in the periods during which services are rendered by employees.

Group Personal Pension Scheme

Contributions to the group personal pension scheme, which is not a final salary scheme, are a fixed percentage of salary and are charged to the statement of comprehensive income on an accruals basis.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Individual items of equipment costing greater than £500 and with an expected useful life exceeding one year are capitalised at cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Tangible fixed assets are depreciated over their useful economic lives, on a straight line basis, as follows:

Freehold buildings	over 50 years for new buildings over 20 years for existing buildings
Building improvements	4% - 10% per year
Technical equipment	over 4 years
Computer hardware and software	over 3 years
Furniture fixtures and fittings	over 6 years

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; or
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

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.

Assets under construction

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

Leased assets

Operating leases

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

Finance leases

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

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

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

Investments including endowment assets

Investments are included on the balance sheet at their market value, as provided by the investment manager, at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the statement of total gains and losses in the year in which they arise.

Investment property

The investment property is included at estimated market value at the balance sheet date.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

Endowments and reserves

Permanent endowments comprise monies which must be held indefinitely as capital and expendable endowments represent capital monies which can be drawn upon if required. Income therefrom is credited to the statement of comprehensive income and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted reserves.

Restricted reserves comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. At the balance sheet date, £236k represents the funds of the Francis Martin College Pfeiffer Trust scheme and the remaining £256k relates to equipment reserves. The College is reviewing the ongoing appropriateness of the restrictions and assets allocated to the funds.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it incurs on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and contingent liabilities

Provisions are recognised when:

- The College has a present legal or constructive obligation as a result of a past event,
- It is probable that a transfer of economic benefit will be required to settle the obligation and

- A reliable estimate can be made of the amount of the obligation.

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying key accounting policies

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

- Determined whether leases entered into by the College either as lessor or 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.
- Determined 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.

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

Other key sources of estimation uncertainty

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing 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 an asset and projected disposal values.

1 Funding body grants

	2024 £'000	2023 £'000
Recurrent grants		
Education and Skills Funding Agency – adult	50	44
Greater London Authority – adult	5,301	5,170
Education and Skills Funding Agency – 16-18	228	170
Specific grants		
Teachers' Pension Support Grant	212	161
Multiply funding	280	419
Other specific grants	1	-
Release of government capital grants:	195	157
	6,267	6,121

2 Tuition fees

	2024 £'000	2023 £'000
Adult education fees	740	663
Fees for FE loan supported courses	33	-
	774	663
Education contracts	2	12
	776	675

3 Other operating income

	2024 £'000	2023 £'000
Non-funding body grants	6	-
Property rental income	40	45
Legacy income	-	34
Other income	18	9
	64	88

4 Investment income

	2024 £'000	2023 £'000
Income from restricted asset investments	11	12
Income from endowment and unrestricted investments	129	142
Other interest receivable	-	-
	140	154

5 Staff costs and key management personnel remuneration

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

	2024		2023	
	No.	FTE	No.	FTE
Teaching staff	131	61	136	61
Non-teaching staff	73	58	76	51
	204	119	212	112

Staff costs for the above person:

	2024 £'000	2023 £'000
Wages and salaries	4,103	3,942
Social security costs	374	357
Other pension costs (note 19)	658	584
Total staff costs	5,134	4,883

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 Management Team which comprises the Principal, Deputy Principal, Vice Principal, two Directors of Learning, Director of Learner Services, and the Heads of Service..

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

The number of key management personnel including the Accounting Officer was:

	2024 No.	2023 No.
Key management personnel including the Accounting Officer	12	14

The number of key management personnel who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

Notes to the Financial Statements Year to 31 July 2024

	2024 No.	2023 No.
£5,001 to £10,000 p.a.*	-	1
£20,001 to £25,000 p.a.*	-	2
£30,001 to £35,000 p.a.*	1	-
£35,001 to £40,000 p.a.*	2	1
£45,001 to £50,000 p.a.*	-	1
£50,001 to £55,000 p.a.	1	2
£55,001 to £60,000 p.a.*	2	1
£60,001 to £65,000 p.a.	4	3
£75,001 to £80,000 p.a.	-	1
£80,001 to £85,000 p.a.	1	-
£85,001 to £90,000 p.a.*	-	1
£95,001 to £100,000 p.a.*	1	-
£100,001 to £105,000 p.a.	-	1
	12	14

* Includes staff who left / joined in year

Note that the above table is based on the amounts paid to employees in the relevant financial years.

There were no other staff, other than those included in key management personnel, who received annual emoluments exceeding £60,000 during the year (2023: none).

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2024 £'000	2023 £'000
Salaries	704	754
Benefits-in-kind	-	-
	704	754
Pension contributions	104	90
Total emoluments	808	844

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

The above emoluments include amounts payable to the Accounting Officer who held this office for the year to 31 July of:

	2024 £'000	2023 £'000
Salaries	134	109
Pay in lieu of notice / compensation	-	68
Pension contributions	34	29
	268	206

During the year to 31 July 2024, there were two Accounting Officers, who were paid £37K and £97K respectively, including payments in lieu of notice and compensation payments. The highest paid person of key management personnel, who was also the Accounting Officer for part of the year received remuneration in the bracket £95,001 to £100,000 (on an annual basis).

The relationship between the Accounting Officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2024 No.	2023 No.
Basic salary as a multiple of median basic salary of staff	3.9	3.9
Total remuneration as a multiple of median total remuneration of staff	3.8	3.8

Governors' remuneration

The key management personnel 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. The other members of the Governing Body did not receive any payments from the College in respect of their roles as Governors (2023 – £nil).

The total expense for travel and subsistence paid to, or on behalf of the Governors during the year was £nil (2023 – £nil). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or Governor training events.

6 Other operating expenses

	2024 £'000	2023 £'000
Teaching costs	154	133
Non-teaching costs	677	697
Premises costs	687	689
	1,518	1,519

Surplus/(deficit) before taxation is stated after charging:

	2024 £'000	2023 £'000
Auditors' remuneration		
. Financial statements audit	25	28
. Internal audit	10	12
. Other services provided by the financial statements auditor for Teachers Pension audit	2	2
Operating lease charges	11	13

7 Interest and other finance costs

	2024 £'000	2023 £'000
On bank loans, overdrafts and other loans: Repayable within five years, by instalments	28	36
	28	36

8 Tangible fixed assets

	Freehold Land and Buildings £'000	Building Improvements £'000	Computer Equipment £'000	Furniture, Fixtures and Fittings £'000	Total £'000
Cost or valuation					
At 1 August 2023	6,711	5,260	1,787	661	14,419
Additions	-	781	188	137	1,106
Disposals	-	-	-	-	-
At 31 July 2024	6,711	6,041	1,975	798	15,525
Depreciation					
At 1 August 2023	2,064	1,666	1,685	560	5,975
Charge for the year	131	343	117	45	636
Disposals	-	-	-	-	-
At 31 July 2024	2,195	2,009	1,802	605	6,611
Net book value					
At 31 July 2024	4,516	4,032	173	193	8,915
At 31 July 2023	4,647	3,594	102	101	8,444

9 Listed investments

	Unrestricted assets £'000	Restricted assets £'000	Endowment assets £'000	Total £'000
Market value of listed investments				
At 1 August 2023	3,094	455	2,358	5,907
Appreciation in value of investments	247	36	188	471
Reclassification of reserves	-	-	-	-
Total portfolio value at 31 July 2024	3,341	491	2,546	6,378
Cost of listed investments at 31 July 2024	1,915	282	1,459	3,656
Total net unrealised gains at 31 July 2024 included above	1,426	209	1,087	2,722
Analysis of total portfolio value				
Pooled investment vehicles				6,378

Notes to the Financial Statements Year to 31 July 2024

At 31 July 2024, listed investments included the following holding deemed material when compared with the overall portfolio valuation as at date:

	Market value £'000	% of portfolio value
Newton Growth and Income Fund for charities	6,378	100%

10 Investment Property

	2024 £'000	2023 £'000
At 1 August:	1,500	1,725
Revaluation of investment property	-	(225)
At 31 July	1,500	1,500

The College owns the freehold of the property immediately adjacent to the main college building in Crowndale Road. The building is not used for the delivery of education and is let out as residential accommodation on a commercial basis. The net revenue generated is applied to the charitable purposes of the College.

11 Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	10	23
Prepayments and accrued income	328	496
Other debtors	66	85
	404	604

12 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank loans (note 14)	107	101
Payments received in advance	155	161
Trade payables	146	77
Other taxation and social security	93	98
Accruals and deferred income *	144	121
Holiday pay accrual	142	144
Deferred income – government grants (capital)	178	528
Amounts owed to funding bodies	141	130
Obligations under finance leases	9	-
Other creditors	91	83
	1,206	1,443

*Accruals and deferred income exclude the holiday pay accrual

13 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Bank loans (note 14)	325	432
Deferred income – government grants (capital)	3,321	2,519
Obligations under finance leases	12	-
	3,658	2,951

14 Maturity of debt

	2024 £'000	2023 £'000
Bank loans are repayable as follows:		
In one year or less	107	101
Between one and two years	113	107
Between two and five years	213	314
In five years or more	-	11
Total	432	533

The College took out an unsecured loan in 2007 to support phase 1 of the Crowndale Road building refurbishment. The loan is at a fixed rate of 5.485% and repayable by equal quarterly instalments from 3 December 2007 to 1 December 2027.

A second unsecured loan was taken out in 2011 to support the second phase of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.73% and repayable by equal quarterly instalments from 14 November 2011 to 14 August 2028.

15 Notes to cash flow statement

	2024 £'000	2023 £'000
Surplus/(Deficit) after tax for the year	402	(156)
Adjustment for:		
Losses / (gains) on investments	(471)	99
Interest payable	28	36
Investment income	(140)	(154)
Depreciation	636	653
Operating cash flow before movements in working capital	454	478
(Increase) / decrease in debtors	200	(171)
Increase / (decrease) in creditors	128	(83)
Release of capital grants	(199)	(157)
Cash inflow from operations	583	67

16 Analysis of changes in net debt

	1 August 2023 £'000	Cash flows £'000	31 July 2024 £'000
Cash at bank and in hand	1,324	130	1,454

17 Commitments under operating leases

At the reporting end date the College had outstanding commitments for future minimum payments under non-cancellable operating leases, which fall due as follows:

	2024 £'000	2023 £'000
Amounts due:		
Within one year	-	-
Between one and five years	13	14
	13	14

18 Capital commitments

	2024 £'000	2023 £'000
Capital commitments:		
Contracted for but not provided at 31 July	283	309
Authorised but not yet contracted for at 31 July	451	96

19 Retirement benefits

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 a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a multi-employer defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No defined benefit pension liability arises as a result of contributions to the Group Personal Pension Scheme.

The TPS pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was published in October 2023.

	2024 £'000	2023 £'000
Total pension cost for the year		
Teachers' Pension Scheme - contributions paid	581	513
Group personal pension scheme – contributions paid	77	71
Total pension cost for year within staff costs (note 5)	658	584

Contributions amounting to £77,000 (2023: £68,000) for the TPS and £9,700 (2023: £7,000) for the group personal pension scheme were payable to the scheme at 31 July and are included in creditors. The liabilities were paid to the relevant schemes in the new financial year.

Teachers' Pension Scheme

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

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

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

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Valuation of the Teachers' Pensions Scheme

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of c.£222 billion giving a notional past service deficit of c.£40 billion. The valuation result was implemented from 1 April 2024, and as a result (from this date) employer contribution rates increased from 23.68% to 28.68% (including a 0.08% administration levy).

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

The pension costs paid to TPS in the year amounted to £581,000 (2023: £513,000).

20 Events after the reporting period

There are no events after the reporting period which would have a material impact on the financial statements and require either adjustment or disclosure.

21 Endowment funds

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2023	311	2,047	2,358
Appreciation of endowment asset investments	25	163	188
At 31 July 2024	336	2,210	2,546
Representing			
Prize funds	111	-	111
Library funds	175	-	175
Other funds	50	2,210	2,260
	336	2,210	2,546
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2022	304	2,004	2,308
Appreciation of endowment asset investments	7	43	50
At 31 July 2023	311	2,047	2,358
Representing			
Prize funds	103	-	103
Library funds	162	-	162
Other funds	46	2,047	2,093
	311	2,047	2,358

22 Related Party Transactions

Due to the nature of the College's operations and the composition of the Governing Body, 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 Governing Body 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. No transactions were identified during the year which should be disclosed.

23 Directors' and officers' liability insurance

The College has purchased directors' and officers' liability insurance, as part of Management liability insurance. The insurance premium paid by the College for the year ended 31 July 2024 was £10,347 (2023: £1,869) and provides cover of up to a maximum of £2 million for all claims during a year.

24 Members' liability

Every member of the Governing Body undertakes to contribute to the assets of the College in the event of it being wound up while he/she is a member such amount as may be required but not exceeding five pence.

25 Learner support funds

	2024 £'000	2023 £'000
Amount disbursed as agent:		
Opening balance as at 1 August	50	61
Repaid to EFSA in year	-	-
Release of funds	-	(6)
Funding Body Grant - Bursary	3	2
	53	57
 Disbursed to students	-	(7)
Area uplift re Adult Learning Loans	-	-
	53	50
Balance unspent as at 31 July	53	50

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

26 Commitments under finance leases

At the reporting end date the College had outstanding commitments for future minimum payments under finance leases, which fall due as follows:

	2024 £'000	2023 £'000
Amounts due:		
Within one year	9	-
Between one and five years	12	-
	21	-

WORKING MEN'S COLLEGE CORPORATION

England & Wales - Charity number 312803

Accounts

Working Men's College Corporation

Annual Report and Financial Statements

31 July 2023

Company registration number: 8894

Charity registration number: 312803



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Reference and administrative information

Governors	Beatrice Aguilar (from 1 November 2022 to 30 June 2023) Amanda Blinkhorn Barbara Bryne (to 31 March 2023) Susan Corby Hoan Dien Thi (from 1 November 2022 to 30 June 2023) Fran Fahey Dipa Ganguli (from 1 September 2023) Neil Garner Helen Hammond (to 30 September 2022) June Jarrett Samata Khatoon Monika Kinasiewicz Alexi Marmot Tom Robins Maria Rosenthal (from 1 October 2022 to 31 August 2023) Alice Rubbra Guy Shackle (Chair) Jon Sibson Max Silver Paul Smith (to 31 July 2023)
Registered address	44 Crowndale Road London NW1 1TR
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Internal auditor	Scrutton Bland Fitzroy House Crown Street Ipswich Suffolk IP1 3LG
Investment Managers	BNY Mellon Limited Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA

Reference and administrative information

Bankers

Lloyds Bank
4th Floor, 25 Gresham Street
London
EC2V 7HN

Barclays Bank
Level 27, 1 Churchill Place
London
E14 5HP

Key Management Personnel

Dipa Ganguli OBE - Principal and CEO, Accounting Officer (from 1 September 2023)
Maria Rosenthal – Interim Principal and CEO, Accounting Officer (from 1 October 2022 to 31 August 2023), Deputy Principal (to 30 September 2022)
Helen Hammond – Principal and CEO, Accounting Officer (to 30 September 2023)
Diana Teesdale – Deputy Principal (from 2 June 2023), Interim Deputy Principal (from 1 October 2022 to 1 June 2023) Director of Learning (to 30 September 2022)
Richard Dearing – Interim Vice Principal (from 2 May 2023)
Imelda Galvin – Interim Vice Principal (from 26 October 2022 to 1 May 2023)
Martin Jones – Vice Principal (to 7 November 2022)
Lisa Marklew – Director of Learning
Ziya Moustafa – Director of Learning (from 1 November 2022)
Caroline Poole – Director of Learner Services
Claudia Forbes – Head of MIS
Julie Paterson – Head of HR
David Barnes – Head of Network and IT
Tracey Gleeson – Head of Facilities (from 5 June 2023)
Andy Christophi – Head of Facilities (to 31 May 2023)

NATURE, OBJECTIVE AND STRATEGIES

The members of the Governing Body present their report and the audited financial statements for Working Men's College Corporation for the year ended 31 July 2023.

Legal status

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI), now known as an Institute of Adult Learning (IAL), under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and it is a registered charity. The College is subject to the legal framework governing the Further Education sector, including the rules set from time to time by the Government departments and agencies with responsibility for the sector. During 2022/23 these were the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA) together with the Greater London Authority (GLA) who have provided funding to the College from 1 August 2019 under devolved funding arrangements. The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by Funding Agreements with the EFSA and the GLA. In addition, the College, as a charitable company limited by guarantee, is governed by the charitable company's memorandum and articles of association.

The College also meets the definition of a charitable company for UK corporation tax purposes as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains covered by the relevant legislation, provided that they are applied to exclusively charitable purposes.

Mission, Strategic Plan and Values

The College's mission, vision and values were reviewed and agreed by the Governing Body in July 2023:

Mission

The Corporation keeps the mission statement and strategic objectives under regular review. The mission statement was updated in 2015/16 and reviewed in 2019/20 without further amendment. The current mission statement adopted is:

"To provide diverse, enriching and enjoyable lifelong learning including skills for work, in a supportive environment for adults in Camden and the local area."

Strategic Plan

College Governors and managers developed a new 3-year strategic plan during 2018/19 which was approved by the Corporation in July 2019. The plan covers the period from 2019 to 2022 but due to an interim Principal being in place for one year, the plan was extended to cover 2022-23 with an updated action plan for the year. The strategic objectives adopted are set out below:

NATURE, OBJECTIVE AND STRATEGIES (continued)

Strategic Plan (continued)

Excellence for all. We will:

- Provide an enriching learning experience that raises aspirations, celebrates success and promotes inclusion and diversity.
- Ensure all learners are supported and inspired to meet and exceed their individual aims and objectives and progress towards long term goals.
- Enable learning that leads to improved physical and mental health and social and emotional well-being as well as improved employment prospects.
- Support learners to become expert learners through teaching and learning that takes place beyond the classroom and develops their digital skills.

Effective and sustainable. We will:

- Optimise learning opportunities by deploying the College's physical, human and virtual resources to provide greater efficiency for the College.
- Provide IT infrastructure and learning materials to facilitate and enhance both classroom and digital learning experiences.
- Develop systems, processes and resources to eliminate unnecessary bureaucracy and provide online access to core information on a timely basis.
- Identify relevant new funding and commercial income opportunities, pursuing those that will support sustainable new activities or expand existing provision.

Working Together. We will:

- Work in partnership with the GLA and London IALs for the benefit of all adult learners.
- Take learning into the local community to ensure that there are no barriers to access learning opportunities.
- Develop partnerships with other providers to provide opportunities for learning that complement or extend WMC studies.

Values

Working Men's College is learner Centred: we strive to enable all learners to achieve their potential and to enjoy their learning with us. We listen to our learners and are adaptable, flexible, and responsive to learner needs.

Working Men's College is committed to Continuous Improvement and Excellence: we constantly review what we do and how it could be improved to ensure that we get better.

Working Men's College is Respectful: we promote equality and celebrate diversity. We respect differences and treat people as individuals. We are understanding of each other's values, cultures and beliefs and observe these in our interactions with each other.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Values (continued)

Working Men's College is Collaborative: we work to meet our common goals, valuing other's contribution. We share and celebrate the talent, skills, knowledge and experience of every person at WMC.

Public benefit

The College is a registered charity and following the machinery of Government changes in July 2016, is regulated by the Secretary of State for Education as Principal Regulator for all Further Education Corporations in England. The Governors of the Corporation, who are trustees of the charity, are disclosed on page 1. In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

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

- High quality teaching and learning;
- Widening participation and tackling social exclusion;
- Increased employment opportunities for students;
- Strong student support systems;
- Links with employers in industry and commerce; and
- Links with Local Enterprise/ Skills and Improvement Partnerships.

Further information and examples of the delivery of public benefit are covered throughout the remainder of the Members' Report including the Strategic Report.

Implementation of strategic plan

The strategic plan is designed with consultation with key stakeholders, staff and partners. It is ratified by the Board of Governors. The strategic plan has a college action plan which details the targets and objectives that the college will work towards to achieve the strategic aims. The strategic plan also has an associated risk register, which is reviewed at regular intervals by the Board of Governors.

Financial objectives

The College's general financial objectives were revised in 2017 and reviewed regularly but have not changed since then. The existing objectives approved by Governors in June 2017 are to maintain:

NATURE, OBJECTIVE AND STRATEGIES (continued)

Financial objectives (continued)

In 2022/23, 3 of the 6 financial objectives were met.

Objective	2022/23	Met
Cash days of not less than 40 nor greater than 65	68	Not Met
An adjusted current ratio of 2.0:1 – 2.5:1	2.5:1	Met
EBITDA using ESFA education specific definition, of between 4% and 6% of income	6.7%	Not Met
Borrowing as a % of non-endowment reserves of less than 15%	4.9%	Met
Staff costs (excluding restructuring costs) between 64% and 68% of income	69.4%	Not Met
Financial health of "Good" with a score of at least 200 points		Met

After two years of restricted activity because of Covid-19, the College in 2022/23 has had a year where learner numbers have returned to or exceeded pre-Covid 2018/19 levels. EBITDA has recovered but staff costs have increased to 69.4% as a proportion of income, which is above the sector benchmark. The indicative financial health grading is "Good" and improves from the 2021/22 assessment. Governors and managers remain confident that the underlying position and performance of the College remains robust and fully expect to return to meeting all its objectives. If the budget for 2023/24 is achieved, the College will maintain this financial health grade.

Investment Fund Objectives

The College's investment fund financial objectives were revised in February 2014 and are as follows:

- To review fund management objectives at regular intervals and in response to changing market conditions.
- To achieve a balance between income and capital growth.
- To achieve a total return of "inflation plus 4%".
- To invest the funds in Newton's Global Growth and Income Fund for Charities (GGIFC).

At 31 July 2023, all investments were held with Newton (BNY Mellon).

NATURE, OBJECTIVE AND STRATEGIES (continued)

Investment Fund Objectives (continued)

At 1 August 2022, the investment portfolio was valued at £5.781 million. The investment income received during the year was £128,000, which equates to 2.2% of the opening valuation. The portfolio value increased slightly to £5.907 million by 31 July 2023 representing a small improvement of just over 1%. These performances reflect a small bounce back following the beginning of the global economic downturn in 2022 because of the Ukraine war, the world energy crisis and global supply chain issues, post the coronavirus pandemic.

Performance indicators

Ofsted Inspection:

Working Men's College's most recent inspection took place in November 2018.

The College's grades awarded by Ofsted were:

Overall effectiveness	Good
Adult Learning Programme	Good
Quality of Teaching, Learning and Assessment	Good
Personal Development, Behaviour and Welfare	Good
Outcome for Learners	Good

Grant Funding

The College's performance against the funding agencies, Education and Skills Funding Agency's (ESFA) and GLA revenue and learner number targets in 2022/23 is set out below:

Funding for Adults

Funding Category		Target (allocation) (ESFA contract)	Actual outturn (Final claim)	Performance (%)
Adult (19+) Learner Responsive Funding	Adult Education Budget (AEB)	£5,037,238	£5,409,855	107%

Although the overall performance against target allocation looks positive, the overall value is made up of 3 separate allocations each with their own performance thresholds. Each allocation has a minimum performance threshold of 97%. Failure to achieve this minimum results in a clawback value, which is calculated as the difference between the actual Threshold achieved and the 100% target.

The GLA has confirmed that over performance up to 106% will result in additional payments being received by the college. Whereas the ESFA have set their over performance threshold at a maximum of 110%.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Grant Funding (continued)

Funding for Adults (continued)

The end of year performance can therefore be summarised as follows:

	Allocation	Actual Outturn	Performance	Over Performance Payment	Clawback Value
GLA Formula Funded	£2,217,760	£2,594,260	117%	£295,381	£0
GLA Community Learning	£2,705,269	£2,705,269	100%	£0	£0
Free Courses For Jobs	£50,000	£46,175	92%	£0	£3,825
ESFA Formula Funded	£11,785	£14,615	124%	£2,830	£0
ESFA Community Learning	£39,128	£39,128	100%	£0	£0
Advanced Learner Loans Bursary	£13,296	£10,408	78%		£2,888
Totals	£5,037,238	£5,409,855		£298,211	£6,713

Total Actual GLA/ESFA Income

£5,328,736

Funding for 16-19 Year Olds

Funding Category	Target (allocation) (ESFA contract)	Actual outturn (Final claim)	Performance (%)
16 – 19 Learner Responsive Funding	30	40	133%
Learner numbers			
Funding value	£169,671	£222,394	130%

Under the ESFA lagged funding rules, the College will receive the target funding value for the year and any over or under performance will be taken into account in funding allocations for future years.

The College exceeded the contract value by 30%. However, because of the lagged funding rules this overachievement will not be recovered until next year.

Other Income

The table below shows the proportion of the College's income received in the form of direct funding body grants for the last five years:

Year	Direct Grants £'000	Total income £'000	Percentage %
2018/19	4,678	5,789	80%
2019/20	4,765	5,373	89%
2020/21	4,977	5,634	88%
2021/22	5,285	6,055	87%
2022/23	6,121	7,038	87%

NATURE, OBJECTIVE AND STRATEGIES (continued)

Other Income (continued)

The proportion of College income derived from direct grant funding has remained constant compared to the previous year. Whilst grant funded income as a proportion of total income had increased markedly in 2019/20 because of the Covid-19 pandemic, this reduced by 1% in 2020/21, because of a significant recovery in tuition fee income. This income stream grew by 24% over the previous year with an increasing number of students returning to in person classes. Although increasing, tuition fee income still only represents just under 10% of total income.

The College is committed to reducing its dependence on direct funding body grants through expansion of provision sponsored by employers and the development of a short course offer in winter and summer and of full cost courses on "Special Saturdays".

The amounts received by the College through adult learning loans, for learners aged 19 or over who are studying at level 3 or higher, are included in the fee income. These have been proven to be a lot more popular with learners this year and contributed £49,000 of fee income in 2022/23 (2021/22 - £2,000).

The College keeps the level of fees under constant review to optimise income while ensuring that adult education remains accessible to as many people as possible, some of whom can afford full cost courses. The majority benefit from GLA/AEB grant provision and enroll on subsidised courses, and some provision at nil cost.

Learner Numbers

In 2022/2023 there were 3,527 learners of which 2,610 were female and 917 males. There were 10,017 enrolments in the College, mostly on part-time courses ranging from one 2 hour session to a full 3 days per week and including the learners enrolled on courses in the community. Overall learner numbers increased by 242 and enrolments by 295 in the accredited provision and 632 on non-accredited courses.

Learner Performance

In 2022/23 enrolment numbers were 4% higher than our last highest number of enrolments achieved in 2018/19 (which was just before the pandemic). Achievement rates for accredited courses are slightly lower than last year at 82%, whereas achievement on non-accredited courses has increased by 1% compared to last year, reporting at 94%.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Learner Performance (continued)

Wider outcomes are captured through a range of learner surveys and feedback forms. From 2021-22 a “confidence gains” survey has been issued to learners at the end of their courses in ESOL, English, Maths, Health and Wellbeing, Supported Learning and Community courses. Learners are asked whether their course has increased their confidence in a range of activities and situations that they encounter in their daily lives, such as talking to healthcare professionals, the Council, the JobCentre Plus, their landlord, neighbours, staff at their children's school, or when shopping, at work, engaging in job search, managing their personal budget, time management, using transport etc. The College also issues a learner survey to all learners gathering information about satisfaction with the College and their course as well as participating in the mandatory London Learner Survey which measures outcomes and where the College achieved one of the highest levels of participation in London. The level of satisfaction in the College survey increased significantly from previous years in all questioned areas.

The College's annual Celebration of Learner Awards took place in July 2023. Students passionately shared moving stories of how the College has changed their lives, for example giving them the language skills that enable them to communicate outside their family and participate in their community, enabling them to gain employment and overcoming mental health issues. This year a number of Ukrainian learners shared moving stories of how being at college has helped them cope with the trauma of war and enabled them to get jobs and develop confidence.

Curriculum Developments

Curriculum teams have continued to review the range of provision and develop progression opportunities, with a greater emphasis on qualification achievement and employment outcomes for learners. Whilst retaining the essential ethos of the College, the ongoing drive to develop opportunities for formal accreditation alongside the well-established, non-accredited provision has continued, with a further increase in external accreditation in the vocational curriculum and arts, and a review of the qualifications offered: the establishment of AAT accountancy qualification with its extension to level 3 in 2022/23 being an example. The increasing need to be highly responsive to the need for retraining and refocusing on new skills and readiness for work has been a focus for the College over the past year and will be continued for the foreseeable future.

The College offers a range of services to support learners outside of their formal classroom provision. The Learning Centre and the Library provide supported learning for study outside the classroom. These facilities have an important role in assisting learners with limited IT skills or connectivity to maximise the benefit from their main course. Support for job search, the National Careers Service and employability skills coaching is based in the Learning Centre and Library.

NATURE, OBJECTIVE AND STRATEGIES (continued)

Curriculum Developments (continued)

The table below shows student overall achievement for all College courses, as reported in the College self-assessment report.

Accredited Learners

Year	Retention	Pass rate	Overall achievement	Attendance
2021/22 Actual	96%	90%	86%	84%
2022/23 Target	96%	92%	88%	85%
2022/23 Actual	91%	90%	82%	85%
Percentage point change 2022/23 over 2021/22	-5%	-2%	-6%	0%

Non-Accredited Learners

Year	Retention	Pass rate	Overall achievement	Attendance
2021/22 Actual	95%	99%	93%	85%
2022/23 Target	96%	99%	95%	86%
2022/23 Actual	95%	99%	94%	87%
Percentage point change 2022/23 over 2021/22	-1%	0%	-1%	1%

Other External Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as overall achievement rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The Finance Record produces a financial health grading. Under the ESFA's new methodology for calculating the grade, the College indicates a "Good" rating for 2022/23 and "Good" for the 2023/24 budget. This is a consequence of the adjusted current ratio improving due to the receipt of capital grants.

The College underwent a very successful full Matrix inspection in May 2023 and received renewed accreditation with no significant requirements to improve, only recommendations to further develop its IAG and support services.

FINANCIAL POSITION

Financial results

The College reported a fourth year of operating deficit at £57,000 for the year to 31 July 2023 (2022 – deficit of £230,000). Whilst another year of operating deficit is disappointing, income growth is strong, particularly in non grant funded areas. Cash will continue to be strictly monitored and costs will be tightly managed to ensure the College delivers the budget set for 2023/24.

The College purchased £266,000 of other new tangible fixed asset additions during the year, of which £75,000 was computer equipment and £191,000 related to other building improvements, furniture, fixtures and fittings. At the end of the year, the College owned tangible fixed assets with a net book value of £8,444 million of which £8,241 million related to buildings and building improvements, £203,000 related to computer and other equipment, fixtures and fittings.

Investments

The College's performance on its endowment investment portfolio is set out in note 9 to the accounts. The portfolio generated an income return of £154,000 during the year and increased in value by £126,000. The portfolio had a market value of £5.907 million at the balance sheet date (2022 - £5.781million).

Total comprehensive income in 2022/23, stated after investment gains, was a deficit of £156,000 (2021/22 - deficit of £173,000)

Reserves

The College has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities.

As of 31 July 2023, general income and expenditure funds totalled £10.571million, compared to the 2022 total of £7.841 million, due to a reclassification of restricted reserves, see note 20. The College also held restricted funds and endowments totaling £2.814 million (2022: £5.700 million). These funds have been given to the College for purposes specified by donors and therefore are not available to the Corporation for general use although some of the endowments are classified as expendable.

It is the intention of the Corporation to maintain a balance in the level of reserves between providing adequate levels of contingency and investing in projects that will develop the College and support delivery of the strategic plan.

The Corporation is formulating a medium term strategic financial plan to replenish the reserves used over the past four years.

Treasury policies and objectives

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

Cash Flows and Liquidity

There was a net cash inflow for the year of £921,000 (2022: outflow of £407,000). This is a result of several factors. The College reported a deficit position for 2022/23, but this was more than offset by receipts from new capital grants.

FINANCIAL POSITION (continued)

Long Term Loans

The College has two existing long-term loans at fixed rates of interest: one with Lloyds Banking Group for £1,000,000, drawn down in July 2007 and the other with Barclays for £500,000, drawn down in July 2008. Both loans were taken out to support the major capital building improvement works programmes at the College's Crowndale Road site. On 31 July 2022, the total loan principal outstanding was £533,000 (2022: £629,000), of which £327,000 is owed to Lloyds and £206,000 to Barclays. The College has not breached any of the loan covenants on either loan and does not foresee a risk of that happening within the current planning horizon.

The College keeps the loans under review and whether they should be paid down early in full or in part. Currently, the Governors consider the financial penalty for early payment of a fixed term loan does not represent value for money.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 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%. During the accounting period 1 August 2022 to 31 July 2023, the College considers that it achieved the majority of invoices processed with no disputed costs. There are a total of four suppliers with disputed costs but the College has not incurred any interest charges or late payment fees.

Restructuring

The College continued to keep its staff structure under review to ensure it remains fit for purpose, affordable and able to provide the best possible service to learners. The College incurred £nil (2022: £14,000) contractual and £nil (2022: £2,000) of non-contractual restructuring costs.

Future developments

Aligned to the Mayor's skills agenda, The College has developed a stronger and expanded employability provision to support those finding themselves unemployed or needing to change career or the sector in which they work. This includes working with community partners and external agencies such as 'LIFT' in Camden, 'Proud to Care, Bluebird and In2ed recruitment agency. We work with the JCP, and National Career Services staff based in the JCP in Kentish Town who provide referrals to WM College ESOL and vocational courses and our employability support provision. The College has developed a tracking system to ensure all activity is captured centrally and that engagement with the skills agenda can fully integrated into the new College strategic plan.

Other planned curriculum developments include strengthening level 2 provision and subsequently level 3 in particular in Business. An expanded humanities offer and a suite of health and wellbeing courses are also being expanded to meet the needs of local residents.

FINANCIAL POSITION (continued)

Future developments (continued)

Whilst the College respects the spirit of the funding guidance on charging participants (pound plus), - it will continue to refine its approach to charging fees on Community Learning funded courses to ensure that courses are accessible to all and finance is not a barrier to learning. It recognises the need to appropriately increase fee income for some courses in order to subsidise others and has increased fees by 5% for 2023-24 for community provision whilst maintaining a 50% discount for those eligible for concession.

RESOURCES

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

Financial

Tangible resources, with a book value of £8.444 million, include the main site at Crowndale Road with a book value of £8.241 million, principally related to building works completed in 2008 and 2012 in Phases 1 and 2 of the Accommodation Strategy and the recently completed heating and ventilation programme. There is a second centre in Kentish Town owned by the London Borough of Camden and used by the College on a tenancy-at-will basis.

Financial resources include investments and endowments totaling £5.907 million at the balance sheet date plus short-term deposits and cash holdings of £1.324million offset in part by long term debt of £533,000. The budget and cash flow forecasts for 2023/24 and beyond demonstrate that the College will continue to have sufficient resources available to it to meet obligations as they fall due and maintain operations.

People

Human resources comprise a staff base of 112 full-time equivalents, of whom 61 are teaching staff, with a headcount of 212 (136 teaching) as the College makes extensive use of subject specialists, many of whom teach part time at the College whilst also working in their specialist industry.

Reputation

The College has a strong reputation locally, based on the quality of services, the breadth of community involvement and the continuing interest in long and distinguished history, as well as the benefit of an Ofsted "Good" rating.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has developed strategies for managing risk and has embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation and enable it to respond in a timely and proportionate manner to changing circumstances.

The SLT regularly reviews the risks the College is exposed to. The members identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are implemented and internal audit work and other monitoring throughout the year helps appraise their effectiveness and progress against risk mitigation actions. The SLT also considers the impact of the latest government guidance and rules as well as any risks which may arise because of new or changed areas of work being undertaken by the College.

A risk register is maintained at College level and formally reviewed at EMG meetings. The risks are assigned to the most relevant committee of the Corporation and reviewed at termly meetings of those committees and then annually by the full Board. The risk register identifies the key risks, systems and procedures to control them, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the SLT during 2022/23. Not all the factors are within the College's direct control.

1. Government Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies.

In 2022/23, 88% of the College's income was publicly funded.

The College maintains an objective of reducing dependence on state funding but recognises that it will remain the dominant source. Government funding helped to maintain financial stability during the pandemic and provides some protection from the wider economic volatility. The College is aware of several issues which may impact on future funding and associate income: Inflation, energy costs, wage increases not matching increased income, and ongoing changes in government priorities such as:

- Following the devolved AEB budget to the GLA in 2019, the implementation of the Mayor of London's Skills Roadmap (Jan 2022) and how this will be reflected in individual College funding allocations in future.
- How the College's 'curriculum intent' (Ofsted Education Inspection Framework) is responsive to the LSIP, and how well the WMC Accountability Statement reflects local priorities.
- How the College provision takes best advantage for its learners of the JSFL and plans robust progression to Level 3.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

1. *Government Funding* (continued)

- How well the College is able to meet the 'Multiply' funding allocation.
- Whether the College provides adequate employability support for learners and tracks job outcomes.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training;
- Considerable focus and investment of time is placed on maintaining and managing key relationships with funding bodies and sector organisations, including the GLA staff, so that they understand the circumstances, challenges and potential of the College and the College ensures compliance and collaboration
- Employing a dedicated manager to deliver the Multiply programme in the community.
- Increasing links with employers to ensure that provision remains relevant to work and skills needs;
- Promoting examples of how successful learners progress into the labour market;
- Collaborating with other Institutes of Adult Learning as appropriate.

2. *Tuition Fee Policy*

Government ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, WM College will seek to increase fees incrementally in accordance with inflation. The College values strongly the principle of access to learning being available to everyone, regardless of financial circumstances. It will continue to hold these two objectives in balance. The risk for the College is that demand falls off as fees increase and this will impact on the growth strategy of the College.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training demonstrating value for money for students;
- Close monitoring of demand for courses as prices change and responding swiftly and appropriately;
- Market research to establish demand, willingness to pay and price elasticity;
- Marketing incentives and campaigns to encourage and incentivise enrolments;
- Flexible fee payment opportunities and methods including instalment plans;
- Bursary support for those not eligible for the concession.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

3. Inflationary increase and cost not met by increase in funding and over-expenditure in non- staff costs could result in a financial deficit for the year.

With the rise in the cost of living, the College is under huge pressure to increase pay in line with inflation. This is not met by funding as the College has very few 16 to 18 year olds. who have been allocated funding by the DfE to pay for wage increases. Adults do not attract increased funding. The budget provided for a 2.5% cost of living salary increase from 1 Feb 23 and again in 2024, but this will need to be increased in line with AoC and DfE recommendations.

The College has had £1.098 million from the DfE for capital projects. Given the nature of the grade 2 listing of the building, the schedule of work that needs doing to maintain and renovate it to modern and safe standards, and the increase costs of building contracts, the College could overspend.

The risk is mitigated in a number of ways:

- By carefully managing pay increases to benefit those on lower wages whilst staying within the overall college budget.
- To manage communication to staff to be transparent about the rationale, in line with the College ethos of equality and fairness.
- To control staff recruitment and not automatically replace leavers.
- The college commissioned a condition survey of both its sites, and a RAG rated action plan that has identified urgent work needed, and will form the basis of a new estates strategy so that work can be planned over a 3 to 5 year period and not exceed the available funds.

4. Cyber Security

Cyber attacks have emerged during 2022/23 as one of the biggest threats to College operations and data protection. The impact can be devastating and incur significant cost, extended interruption to teaching and learning and compromise enrolments.

The risk is mitigated in a number of ways:

- In the spring of 2023, the College engaged JISC to audit the IT system for potential vulnerabilities. The report provided a schedule of work needed to reduce risk. This has been RAG rated by the IT team and is nearly complete. The College will apply for Cyber Essentials approval in the autumn of 2023.
- The College has implemented 2 factor authentication for both staff and learners.
- Student and staff induction has a full IT 'Acceptable use' mandate.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

5. Health and Safety and Accessibility

Built in 1904, bringing the main building of the College up to modern requirements is challenging. There are many floor levels and lifts do not serve every floor. Stair lifts are old and not fit for purpose. Many doors are not fire retardant. Evacuation processes in the event of a fire are challenging, particularly for those with mobility impairment.

The risk is mitigated in a number of ways:

- An externally commissioned accessibility survey was done in spring 2023 flagging a number of both easy fix and more challenging improvements that need doing to meet expected standards. A number of these works have since been done.
- A condition survey was completed and identified work needed to improve Health and Safety. This is being actioned (as above)
- A new Facilities manager has been appointed who has expertise in Health and Safety and is working through a schedule of work in consultation with EMT.
- A plan will be put in place for 2023/24 for new fire evacuation procedures, fire marshal training and new evacuation chairs along with regular fire drills both day, evening and weekends.
- Doors have been assessed for upgrading or replacing.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and educational institutions, the Working Men's College has many stakeholders and an extensive range of relationships with local people and groups. These include:

- the College's own students and staff;
- funding bodies, especially the Education and Skills Funding Agency and the Greater London Authority;
- the London Borough of Camden;
- a range of local employers;
- Local Enterprise Partnerships (LEPs);
- local community groups, including the Somers Town Big Local for whom the College acts as the "Local Trusted Organisation (LTO);"
- the other Institutes of Adult Learning (IALs), especially the four based in London;
- local FE colleges;
- the FE Commissioner; and
- trade unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a range of media and methods.

STAKEHOLDER RELATIONSHIPS (continued)

Community Responsiveness and Employer Engagement

The College has been implementing a successful community engagement strategy for many years. Having struggled to maintain engagement during covid, when many community venues closed, the College has recovered and currently has provision at 16 local outreach venues and has built several proactive partnerships and close working relationships with the voluntary and community sector in central Camden. The community provision continues to reach students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. These working relationships help identify and target disadvantaged learners in Camden. Further information on these aspects of the College's work can be found in the Self-Assessment Report available via the College website or on application to the Clerk to the Corporation.

Educational Links

The College has a wide variety of strategic links with other educational institutions.

The Greater London Authority (GLA) became the College's principal funder for adult education from August 2019 whilst the Education and Skills Funding Agency (ESFA) remains the funder for all 16-19 activity and for adult funding for learners living outside the London boroughs controlled by the GLA.

The group of five London IALs – the Working Men's College, the Mary Ward Centre, City Lit Morley College, and Richmond and Hillcroft Adult Community College – have a very long-standing partnership which is used in a variety of constructive ways to address national, regional and local priorities. Closer working and a new common identity as the London Adult Learning Institutions has enabled some joint initiatives to be developed effectively.

Staff and Student Involvement

The College considers good communication with staff and students to be vital. The Corporation includes two staff members and two student members and the Curriculum Quality and Standards Committee includes all academic managers. Staff and student bulletins and newsletters were produced during the year and a regular Principal's Update issued to all staff to increase communication during the Covid-19 pandemic is now well established. The College Intranet is also used to facilitate communication with staff.

Most of the working parties and development groups within the College include staff and student representation. Sometimes it is difficult to secure the level of staff and student participation that is desirable because of the high proportion of teaching staff and students who are part-time. The Health and Safety Consultative Committee was re-established during the year, following the appointment by the recognised teaching union of a health and safety representative.

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. The following information relates to the period from 1 April 2022 to 31 March 2023 as required by the Regulations and is also made available on the College's website.

Relevant union officials

Number of employees who were relevant union officials during the relevant period: 1	Full-time equivalent employee number; 0.4

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£244
Total pay bill	£3,745,187
Percentage of the total pay bill spent on facility time,	0%

Paid trade union activities

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

EQUAL OPPORTUNITIES STATEMENT

Equality and Diversity Statement

The College is committed to promoting equality of opportunity in all aspects of its operations for all who learn or work at the College. It recognises its legal responsibilities, respects and values all differences and individual choices and takes all reasonable steps to ensure there is no discrimination against any student, member of staff or the public, on the grounds of race, gender, sexual orientation, disability, religion or belief and age. Monitoring systems have been introduced and performance targets identified. The College's Equality Policy is published on its website and produces an annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010.

Employment of disabled persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those of non-disabled employees.

Disability Statement

A key purpose of the College is to be a learner-centred college dedicated to providing opportunities for lifelong learning for the diverse range of London adults who may not be able to study full time, particularly those who have missed out on their initial education.

As part of its commitment to inclusive education and equality of opportunity, the College welcomes students with learning difficulties. The College endeavours to be flexible and match the learning support to each student's individual needs and achieve the objectives set down in the Equality Act 2010.

The College employs a full-time Disability Officer to promote awareness and implementation of this statement and supporting policies.

The aims of the College include:

- identifying and responding to individual student needs, to improve continually students' learning experience;
- ensuring all students achieve their full potential through the provision of a high quality student centred learning environment;
- actively promoting equality of opportunity for all students;
- ensuring appropriate steps are taken to guarantee that a disabled learner is not placed at a substantial disadvantage in comparison with a learner who is not disabled.

A range of courses for learners with learning difficulties or disabilities has been introduced to provide learning in smaller groups and at a pace that increases these learners' ability to achieve their learning aims and progress to further study or employment.

EQUAL OPPORTUNITIES STATEMENT (continued)

Safeguarding and Prevent

The College fully recognises its responsibility to promote safe practice and to protect and safeguard the welfare of everyone working and studying there. Governors and managers believe that learning takes place most effectively within a culture in which all individuals trust the College to keep them safe from harm while there and give them information, advice and help to keep themselves safe from harm at other times. There are clear processes and procedures in place should anyone have a concern and the College works with a number of external agencies to support learners to remain in learning, including the FE Prevent coordinators.

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITOR

The Governors 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 Governor 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.

The members' report including the strategic report was approved by the members of the Corporation and signed on their behalf on 14 December 2023 by:

A handwritten signature in dark ink, appearing to read 'Guy Shackle', is written over a light blue horizontal line.

Guy Shackle
Chair:

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 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- 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” version “review September 2021 adopted on 30 March 2023)

In the opinion of the Governors, the College complies with 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/Governance reported to the board on 4 July 2023.

An external review was undertaken by Mosaic in early 2023 and reported to the Board in March 2023. 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 in 2015 as amended in 2019. The 2015 version was adopted in 2016, - the Remuneration addendum was adopted when added and the most recent version was formally adopted on 04 July 2023.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the AoC Code, v2021 update. The College has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, it has reported on Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code considered to be relevant to the further education sector and best practice.

THE CORPORATION

Governors of the Corporation

The Governors who served on the Governing Body, as well as committee Co-optees, during the period and up to the date of signature of this report were as follows:

THE CORPORATION (continued)**Governors of the Corporation** (continued)

Name	Date Last Appointed/ Reappointed	Date First Appointed	Term of office	Date Resigned	Status of Appointment	Committees	Full Corp'n Meetings Attended
Beatrice Aguilar	01/11/2022	01/11/2022	1 Year	30/06/2022	Student	Q	1 of 2
Amanda Blinkhorn	31/03/2021	21/03/2018	3 Years		Nominated Tchng Staff	Q	3 of 3
Barbara Byrne	01/04/2020	11/12/2013	3 Years	31/03/2023	Appointed	F (Ch), Q	2 of 2
Susan Corby	05/07/2023	15/07/2020	3 Years		Appointed	F, Q, R	2 of 3
Hoan Dien Thi	01/11/2022	01/11/2022	1 Year	30/06/2022	Student	Q	1 of 2
Fran Fahey	30/03/2022	03/04/2019	3 Years		Appointed	F	3 of 3
Dipa Ganguli	01/09/2023	01/09/2023	Ex Officio		Principal Nominated	F, Q, S	0 of 0
Neil Garner	05/07/2023	15/07/2020	3 Years		Appointed	A	2 of 3
Helen Hammond	01/12/2014	01/12/2014	Ex Officio	30/09/2022	Principal	F, Q, S	0 of 0
June Jarrett	04/07/2020	12/07/2017	3 Years		Appointed	Q	2 of 3
Samata Khatoon	23/03/2021	21/03/2018	3 Years		Appointed	Q	2 of 3
Monika Kinasiewicz	01/11/2022	01/11/2019	3 Years		Nominated Bus. Staff	Q	3 of 3
Alexi Marmot	30/03/2023	11/12/2013	1 Year		Appointed	F	2 of 3
Tom Robins	30/03/2022	30/03/2022	3 Years		Appointed	A	3 of 3
Maria Rosenthal	1/10/2022	1/10/2022	Ex Officio	31/08/2023	Interim Principal	F, Q, S	3 of 3
Alice Rubbra	30/03/2022	30/03/2022	3 Years		Appointed	F	2 of 3
Guy Shackle (Chair)	23/03/2021	21/03/2018	3 Years		Appointed	R, S, Q, F	3 of 3
Jon Sibson	30/03/2022	03/04/2019	3 Years		Appointed	Q (Ch), F, R	3 of 3
Max Silver	31/03/2021	31/03/2021	3 Years		Appointed	F, R	3 of 3
Paul Smith	16/07/2020	12/07/2017	3 Years	31/07/2023	Appointed	A (Ch)	2 of 3

THE CORPORATION (continued)

Governors of the Corporation (continued)

Key	Committee	Number of meetings in 2022/23
A	Audit	3 meetings
C	Curriculum, Quality and Standards	3 meetings
F	Finance, Personnel and Development	4 meetings
S	Search	4 meetings and attendance at stages of the new Principal's selection and interview
R	Remuneration	Did not hold discrete meetings during the year. Its business was conducted through the Search Committee which determined appointments and remuneration of Senior Post Holders

The Working Men's College is a company limited by guarantee and its Appointed Governors are also Members of the company. Every Member undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, such amount as may be required but not exceeding five pence.

Bill Barker was the Clerk to the Corporation and Company Secretary throughout the period.

Fellows of the Corporation

In January 2020, the Search Committee agreed to propose additional 6 year terms of office for existing Fellows and 6 year terms of office for other recently retired governors. Further development was paused during the Covid-19 pandemic and has since restarted. In September 2022 the College took part in the Open House London weekend with many Fellows attending or speaking at event workshops. During the year the contributing editors of the new College history book, itself a sequel to the 1954 publication authored by JFC Harrison, have secured a contract with Routledge (Taylor and Francis) for publication in 2024.

Current Fellows are:

- Selwyn Midgen
- Bipin Patel
- Dame Ruth Silver
- Baroness Janet Whitaker
- Satnam Gill OBE
- Lucy de Groot
- Abdul Qadar
- Nigel Franklin
- David Offenbach
- Professor Tom Schuller
- Paula Whittle

THE CORPORATION (continued)

The governance framework

It is the corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The corporation is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The corporation and its sub committees meet termly.

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 Curriculum, Finance Personnel and Development, Audit, Remuneration and Search. Full minutes of all Board meetings, except those deemed to be confidential by the corporation, are available on the college's website (wmcollege.ac.uk) or from the clerk to the corporation at the college's registered address.

The clerk to the corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the college's expense and have access to the clerk to the corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the clerk are matters for the corporation as a whole.

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

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.

Appointments to the corporation

Any new member appointments to the corporation are a matter for the consideration of the corporation as a whole. The corporation has a search committee, consisting of four 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 induction/ training is provided as required.

Members of the corporation are appointed for a term of office of 3 years – the maximum term is 3 terms of 3 years – this is provided for by the Memorandum and Articles of Association.

THE CORPORATION (continued)

Corporation Performance

The corporation carried out a self-assessment of its own performance for the year ended 31 July 2023 and graded itself as “Good” on the Ofsted scale.

The governing body is committed to development and held a strategy /development session in February 2023

The College commissioned an external review in 2022/23 and will review progress in 2023/24.

Remuneration Committee

Throughout the year ending 31 July 2023 the college’s Remuneration Committee comprised four 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 key management personnel.

With the Principal changing in the year, the Remuneration Committee did not meet during the year ended 31 July 2023. Instead the Search Committee oversaw the appointment and remuneration of the Interim Principal from 1 October 2022 and the Principal who took post from 1 September 2023. . In the absence of a sector negotiated Principal’s pay scale, the selection panel’s recommendation took account of previous experience, affordability, nationwide concerns about high level pay relative to employee awards, benchmarking information including College size, income and median salaries, and the gender pay gap. The Search Committee also oversaw the appointments of two interim Vice Principals, the Interim Deputy Principal and Deputy Principal posts as well as other senior appointments.

Details of remuneration for the year ended 31 July 2023 are set out in note 5 to the financial statements.

Audit Committee

The Audit Committee comprises three members of the corporation (excluding the Accounting Officer and Chair) and a co-opted member.

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 auditors, 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.

THE CORPORATION (continued)

Audit Committee (continued)

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 auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work if any commissioned as well as reporting annually to the corporation. No non-audit work was commissioned during the period.

The audit committee met three times in the year to 31 July 2023. The members of the committee and their attendance records are shown below:

Committee member	Meetings attended
Paul Smith (Chair) (to 31 July 2023)	2 of 3
Tom Robbins	3 of 3
Neil Garner	3 of 3
Max Silver (to 1 November 2022)	0 of 0
Cameron Walkinshaw (from 1 May 2023)	1 of 1

Max Silver left the Audit Committee on 1 November 2022, to become a member of the Finance, Personnel and Development Committee, Vice Chair and member of the Search Committee.

Cameron Walkinshaw is a co-opted member of the committee but is not a member of the College Board.

INTERNAL CONTROL

Scope of Responsibility

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

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

INTERNAL CONTROL (continued)

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 WM College 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 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 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; and
- ◆ The adoption of formal project management disciplines where appropriate.

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

INTERNAL CONTROL (continued)

Risks faced by the Governing Body

The corporation receives an annual report on risk management and the risk management policy. This is reviewed before the signing of the financial statements,

During the year the risks falling within the remit of each committee are reviewed at each meeting of the committee.

Control Weaknesses Identified

The internal scrutiny work during the year resulted in one high risk, six medium risk and 6 low risk recommendations, with the high risk recommendation arising in the work completed on procurement and changes to suppliers bank details. Although changes to a suppliers bank details occur infrequently, the College has addressed this issue and has already put in place a process to verify and evidence any change in a suppliers bank details.

Responsibilities under Funding Agreements

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 to ensure there are systems in place to identify and handle any transactions for which DfE approval is required. Furthermore, the College has updated the terms of reference of the Finance Personnel and Development Committee and the Audit Committee to take account of the additional responsibilities accruing in consequence of ONS re-classification.

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 2022/3 and up to the date of the approval of the financial statements are:

- Internal audit reports in the following areas:
 - Funding assurance – significant assurance
 - Human resources – reasonable assurance
 - Procurement – limited assurance

Reasonable progress was also made in respect of follow up to previous recommendations by the internal auditors

INTERNAL CONTROL (continued)

Statement from the Audit Committee (continued)

- CPD sessions included:
 - Implications of ONS re-classification
 - Analysis of reserves and endowments and consideration of steps required for potential de-restriction
 - Anti-Fraud (risk management) – consideration of plagiarism and AI and implication accreditation as an exams centre.
 - Cyber Security **Essentials and Certification**

Review of Effectiveness

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

- ◆ The work of internal auditors and any additional external assurance providers;
- ◆ 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 in their management letters and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

INTERNAL CONTROL (continued)

Review of Effectiveness (continued)

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 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 2023.

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 Governing Body on 14 December 2023 and signed on its behalf by:



Guy Shackle
Chair of the Governing Body



Dipa Ganguli
Accounting Officer

Statement on regularity, propriety and compliance 31 July 2023

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 GLA and has considered its responsibility to notify ESFA or GLA 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 the ESFA and GLA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding 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 the ESFA or GLA.



Dipa Ganguli

Accounting Officer

Date: 14 December 2023

Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



Guy Shackle

Chair

Date: 14 December 2023

Statement of governors' responsibilities 31 July 2023

The Governors of the Corporation (who are trustees for the purposes of the Charities Act and whose Appointed Governors are also the directors of the company for the purposes of the Companies Act) are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's grant funding agreements and contracts with the Education and Skills Funding Agency (ESFA) and the Greater London Authority (GLA), the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice (GAAP), and which give a true and fair view of the state of affairs of the Corporation and its deficit of income over expenditure for that year.

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

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

The Corporation is also required to prepare a Strategic Report 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 College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the Working Men's College website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of governors' responsibilities 31 July 2023

Governors 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 the ESFA and GLA, and any other public funds, are used only in accordance with the ESFA's and GLA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by the ESFA, GLA or any other public funder, including that any transaction 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. Governors of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, Governors of the Corporation are responsible for securing economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and GLA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 14 December 2023 and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'Guy Shackle', is written over a light blue horizontal line.

Guy Shackle

Chair

Independent auditor's report to the Members of the Corporation of the Working Men's College

Opinion

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the College's affairs as at 31 July 2023 and of its deficit of income over expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns;
or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of the Governors

As explained more fully in the statement of responsibilities of the Governors of the Corporation, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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

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

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Corporation meetings; and
- ◆ enquiring of management as to actual and potential litigation and claims.
- ◆ reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the members of the Governing Body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 December 2023

Reporting accountant's assurance report on regularity

To: The Governing Body of Working Men's College and the Secretary of State for Education, acting through the Department for Education

In accordance with the terms of our engagement letter dated 31 May 2019 and further to the requirements and conditions of funding in the Education and Skills Funding Agency's Grant Funding Agreements and contracts, including those of the Greater London Authority (GLA), we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that, in all material respects, the expenditure disbursed and income received by the Working Men's College during the period 1 August 2022 to 31 July 2023 has not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by the GLA or other relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the Governing Body of Working Men's College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Governing Body of the Working Men's College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body of Working Men's College and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Working Men's College and the reporting accountant

The Governing Body of the College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



Buzzacott LLP

Chartered Accountants and Statutory Auditors

130 Wood Street

London

EC2V 6DL

14 December 2023

Statement of comprehensive income Year to 31 July 2023

	Notes	2023 Total funds £'000	2022 Total funds £'000
Income:			
Funding body grants	1	6,121	5,285
Tuition fees	2	675	551
Other operating income	3	88	91
Investment income	4	154	128
Total		7,038	6,055
Expenditure:			
Cost of generating funds		4	6
Staff costs	5	4,883	4,194
Fundamental restructuring costs		-	16
Other operating expenses	6	1,519	1,342
Depreciation	8	653	690
Interest and other finance costs	7	36	37
Total		7,095	6,285
Operational deficit before other gains and losses and before tax		(57)	(230)
Gains/(losses) on listed investments	9	126	(18)
(Loss)/ gain on investment property	10	(225)	75
(Deficit) before tax		(156)	(173)
Taxation		-	-
Total comprehensive expenditure for the year		(156)	(173)
Represented by:			
Restricted comprehensive income		21	62
Endowment fund income/(expenditure)		50	(8)
Unrestricted comprehensive (expenditure)		(227)	(227)
Total comprehensive (expenditure) for the year		(156)	(173)

Balance sheet 31 July 2023

	Notes	2023 £'000	2022 £000
Fixed assets			
Tangible fixed assets	8	8,444	8,831
Listed investments	9	5,907	5,781
Investment property	10	1,500	1,725
		15,851	16,337
Current assets			
Debtors	11	604	433
Cash at bank and in hand		1,324	403
		1,928	836
Liabilities			
Creditors: amounts falling due within one year	12	(1,443)	(1,149)
Net current assets/(liability)		485	(313)
Total assets less current liabilities		16,336	16,024
Creditors: amounts falling due after more than one year	13	(2,951)	(2,483)
Total net assets		13,385	13,541
Endowments			
Permanent		309	304
Expendable		2,049	2,004
		2,358	2,308
Restricted reserves			
Restricted reserves		456	3,392
Unrestricted reserves			
Income and expenditure account		10,571	7,841
Total reserves		13,385	13,541

The financial statements on page 43 to 67 were approved by the Governing Body on 14 December 2023 and were signed on its behalf by:



Guy Shackle
Chair
Company registration number: 8894
Charity registration number: 312803



Dipa Ganguli OBE
Principal and Accounting Officer

Statement of changes in reserves Year to 31 July 2023

	Income & expenditure reserve £'000	Restricted reserves £'000	Endowment s £'000	Total reserves £'000
Balance at 1 August 2021	8,068	3,330	2,316	13,714
(Deficit) from the income and expenditure account	(154)	(11)	(8)	(173)
Transfers between restricted and income and expenditure reserves	(73)	73	-	-
Total comprehensive income for the year	(227)	62	(8)	(173)
Balance at 31 July 2022	7,841	3,392	2,308	13,541
Surplus / (Deficit) from the income and expenditure account	(215)	9	50	(156)
Transfers between restricted and income and expenditure reserves	(12)	12	-	-
Total comprehensive income for the year	(227)	21	50	(156)
Reclassification of reserves (note 20)	2,957	(2,957)	-	-
Balance at 31 July 2023	10,571	456	2,358	13,385

Included within restricted reserves at the balance sheet date is an amount of £219,000 (2022: £209,000) which relates to the assets of the former Francis Martin College Charitable Foundation (Emily Pfeiffer endowment). The Working Men's College Corporation is the corporate trustee of the Francis Martin College charity (registered charity number 312802). The assets are invested in the Newton Growth and Income Fund for Charities alongside the investments of the Working Men's College Corporation.

Statement of cash flows Year to 31 July 2023

	Notes	31 July 2023 £'000	31 July 2022 £'000
Net cash inflow / (outflow) from operating activities	15	67	(236)
Investing activities			
Income from investments and endowments		154	127
Purchase of tangible fixed assets		(266)	(427)
Interest received		-	1
Receipts of new capital grants		1,098	255
Net cash provided by (used in) investing activities		986	(44)
Financing activities			
Interest payable		(36)	(37)
Capital element of bank loan repayments		(96)	(90)
Net cash used in financing activities		(132)	(127)
Increase/(decrease) in cash and cash equivalents in the year		921	(407)
Cash and cash equivalents at the beginning of the year		403	810
Cash and cash equivalents at the end of the year	16	1,324	403

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022-23 and in accordance with Financial Reporting Standard 102: - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. In order to present a true and fair view, the College has not followed the provisions of the Companies Act 2006 regarding the format of the financial statements where these are not appropriate to the College's activities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of listed investments and the investment property.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members' Report including the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College had at 31 July 2023 £533,000 of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 5 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable, the extent of the completion of the contract or service concerned and depend on the particular income stream involved.

Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, 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 stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment Income

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

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements from the ESFA or Department for Education. Related payments received from the funding bodies and subsequent disbursements to learners are excluded from the income and expenditure of the College where the College is exposed to minimum risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension scheme. The TPS is a defined benefit plan which is externally funded and contracted out of the State Second Pension. The group personal pension plan is a defined contribution plan.

Teachers Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the comprehensive income statement in the periods during which services are rendered by employees.

Group Personal Pension Scheme

Contributions to the group personal pension scheme, which is not a final salary scheme, are a fixed percentage of salary and are charged to the statement of comprehensive income on an accruals basis.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Individual items of equipment costing greater than £500 and with an expected useful life exceeding one year are capitalised at cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Tangible fixed assets are depreciated over their useful economic lives, on a straight line basis, as follows:

Freehold buildings	over 50 years for new buildings
	over 20 years for existing buildings
Building improvements	4% - 10% per year
Technical equipment	over 4 years
Computer hardware and software	over 3 years
Furniture fixtures and fittings	over 6 years

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; or
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

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.

Assets under construction

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

Leased assets

Operating leases

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

Finance leases

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

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

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

Investments including endowment assets

Investments are included on the balance sheet at their market value, as provided by the investment manager, at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the statement of total gains and losses in the year in which they arise.

Investment property

The investment property is included at estimated market value at the balance sheet date.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

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

Endowments and reserves

Permanent endowments comprise monies which must be held indefinitely as capital and expendable endowments represent capital monies which can be drawn upon if required. Income therefrom is credited to the statement of comprehensive income and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted reserves.

Restricted reserves comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. At the balance sheet date, £219,000 represents the funds of the Francis Martin College Pfeiffer Trust scheme and the remaining £237,000 relates to equipment reserves. The College is reviewing the ongoing appropriateness of the restrictions and assets allocated to the funds.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it incurs on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying key accounting policies

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

- Determined whether leases entered into by the College either as lessor or 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.
- Determined 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.

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

Other key sources of estimation uncertainty

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing 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 an asset and projected disposal values.

1 Funding body grants

	2023 £'000	2022 £'000
Recurrent grants		
Education and Skills Funding Agency – adult	44	44
Greater London Authority – adult	5,170	4,698
Education and Skills Funding Agency – 16-18	170	111
Specific grants		
Teachers' Pension Support Grant	161	137
Multiply funding	419	-
Other specific grants	-	115
Release of government capital grants:	157	180
	6,121	5,285

2 Tuition fees

	2023 £'000	2022 £'000
Adult education fees	663	526
Fees for FE loan supported courses	-	7
	663	533
Education contracts	12	18
	675	551

3 Other operating income

	2023 £'000	2022 £'000
Non-funding body grants	-	25
Property rental income	45	44
Legacy income	34	-
Other income	9	22
	88	91

4 Investment income

	2023 £'000	2022 £'000
Income from restricted asset investments	12	73
Income from endowment and unrestricted investments	142	54
Other interest receivable	-	1
	154	128

5 Staff costs and key management personnel remuneration

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

	2023		2022	
	No.	FTE	No.	FTE
Teaching staff	136	61	131	55
Non-teaching staff	76	51	71	48
	212	112	202	103

Staff costs for the above person:

	2023 £'000	2022 £'000
Wages and salaries	3,942	3,377
Social security costs	357	291
Other pension costs (note 19)	584	503
Total staff costs	4,883	4,171

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 comprised of the Principal, the Vice Principal, the Assistant Principals and the Director of Finance.

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

The number of key management personnel including the Accounting Officer was:

	2023 No.	2022 No.
Key management personnel including the Accounting Officer	14	10

5 Staff costs and key management personnel remuneration (continued)

Emoluments of key management personnel, Accounting Officer and other higher paid staff (continued)

The number of key management personnel who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2023 No.	2022 No.
£5,001 to £10,000 p.a.*	1	-
£20,001 to £25,000 p.a.*	2	1
£35,001 to £40,000 p.a.*	1	-
£45,001 to £50,000 p.a.*	1	1
£50,001 to £55,000 p.a.	2	1
£55,001 to £60,000 p.a.**	1	2
£60,001 to £65,000 p.a.	3	2
£75,001 to £80,000 p.a.	1	-
£80,001 to £85,000 p.a.	-	2
£85,001 to £90,000 p.a.*	1	-
£100,001 to £105,000 p.a.	1	-
£110,001 to £115,000 p.a.	-	1
	14	10

* Includes staff who left / joined in year

** Includes part time staff (full time equivalent £85,001 to £90,000)

In the year to 31 July 2023 there were a number of changes to the senior leadership team, and the above table shows the salaries for each employee for the period that they were employed.

There were no other staff, other than those included in key management personnel, who received annual emoluments exceeding £60,000 during the year (2022 – none).

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2023 £'000	2022 £'000
Salaries	754	642
Benefits-in-kind	-	-
	754	642
Pension contributions	90	94
Total emoluments	844	736

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

5 Staff costs and key management personnel remuneration (continued)

Emoluments of key management personnel, Accounting Officer and other higher paid staff (continued)

The above emoluments include amounts payable to the Accounting Officer who held this office for the year to 31 July of:

	2023 £'000	2022 £'000
Salaries	109	112
Pay in lieu of notice / compensation	68	-
Pension contributions	29	27
	206	139

During the year to 31 July 2023, there were two Accounting Officers (to 30 September 2022) and (from 1 October 2022), who were paid respectively £87K and £90K, including payments in lieu of notice and compensation payments. The pay in lieu of notice / compensation includes £59K of statutory and £9K of non-statutory payments. The highest paid person of key management personnel, who was also the Accounting Officer for part of the year received remuneration in the bracket £100,001 to £105,000.

The Principal's pay for the year was set by the College's Search Committee as noted on page 27.

The relationship between the Accounting Officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2023 No.	2022 No.
Basic salary as a multiple of median basic salary of staff	3.9	4.2
Total remuneration as a multiple of median total remuneration of staff	3.8	4.1

Governors' remuneration

The key management personnel 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. The other members of the Governing Body did not receive any payments from the College in respect of their roles as Governors (2022 – one).

The total expense for travel and subsistence paid to, or on behalf of the Governors during the year was £nil (2022 – £125). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or Governor training events.

6 Other operating expenses

	2023 £'000	2022 £'000
Teaching costs	133	147
Non-teaching costs	697	616
Premises costs	689	579
	1,519	1,342

Surplus/(deficit) before taxation is stated after charging:

	2023 £'000	2022 £'000
Auditors' remuneration		
. Financial statements audit	28	27
. Internal audit	12	6
. Other services provided by the financial statements auditor for Teachers Pension audit	2	2
Operating lease charges	13	4

7 Interest and other finance costs

	2023 £'000	2022 £'000
On bank loans, overdrafts and other loans:		
Repayable within five years, by instalments	36	37
	36	37

8 Tangible fixed assets

	Freehold Land and Buildings £'000	Building Improvements £'000	Computer Equipment £'000	Furniture, Fixtures and Fittings £'000	Total £'000
Cost or valuation					
At 1 August 2022	6,711	5,139	1,737	591	14,178
Additions	-	121	75	70	266
Disposals	-	-	(25)	-	(25)
At 31 July 2023	6,711	5,260	1,787	661	14,419
Depreciation					
At 1 August 2022	1,933	1,377	1,507	530	5,347
Charge for the year	131	289	203	30	653
Disposals	-	-	(25)	-	(25)
At 31 July 2023	2,064	1,666	1,685	560	5,975
Net book value					
At 31 July 2023	4,647	3,594	102	101	8,444
At 31 July 2022	4,778	3,762	230	61	8,831

9 Listed investments

	Unrestricted assets £'000	Restricted assets £'000	Endowment assets £'000	Total £'000
Market value of listed investments				
At 1 August 2022	82	3,391	2,308	5,781
Appreciation in value of investments	55	21	50	126
Reclassification of reserves	2,957	(2,957)	-	-
Total portfolio value at 31 July 2023	3,094	455	2,358	5,907
 Cost of listed investments at 31 July 2023	 1,962	 234	 1,460	 3,656
 Total net unrealised gains at 31 July 2023 included above	 1,132	 221	 898	 2,251
Analysis of total portfolio value				
Pooled investment vehicles				5,907
At 31 July 2023, listed investments included the following holding deemed material when compared with the overall portfolio valuation as at date:				
	Market value £'000	% of portfolio value		
Newton Growth and Income Fund for charities	5,907	100%		

10 Investment Property

	2023 £'000	2022 £'000
At 1 August:	1,725	1,650
Revaluation of investment property	(225)	75
At 31 July	1,500	1,725

The College owns the freehold of the property immediately adjacent to the main college building in Crowndale Road. The building is not used for the delivery of education and is let out as residential accommodation on a commercial basis. The net revenue generated is applied to the charitable purposes of the College.

11 Trade and other receivables

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	23	45
Prepayments and accrued income	496	154
Other debtors	85	234
	604	433

12 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank loans (note 14)	101	96
Payments received in advance	161	121
Trade payables	77	205
Other taxation and social security	98	75
Accruals and deferred income	265	217
Deferred income – government grants (capital)	528	156
Amounts owed to funding bodies	130	212
Other creditors	83	67
	1,443	1,149

13 Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Bank loans (note 14)	432	533
Deferred income – government grants (capital)	2,519	1,950
	2,951	2,483

14 Maturity of debt

	2023 £'000	2022 £'000
Bank loans are repayable as follows:		
In one year or less	101	96
Between one and two years	107	101
Between two and five years	314	338
In five years or more	11	94
Total	533	629

The College took out an unsecured loan in 2007 to support phase 1 of the Crowndale Road building refurbishment. The loan is at a fixed rate of 5.485% and repayable by equal quarterly instalments from 3 December 2007 to 1 December 2027.

A second unsecured loan was taken out in 2011 to support the second phase of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.73% and repayable by equal quarterly instalments from 14 November 2011 to 14 August 2028.

15 Notes to cash flow statement

	2023 £'000	2022 £'000
(Deficit) after tax for the year	(156)	(173)
Adjustment for:		
Losses / (gains) on investments	99	(57)
Interest payable	36	37
Interest receivable	-	(1)
Investment income	(154)	(127)
Depreciation	653	690
Operating cash flow before movements in working capital	478	369
(Increase) / decrease in debtors	(171)	(253)
Increase / (decrease) in creditors	(83)	(172)
Release of capital grants	(157)	(180)
Cash inflow / (outflow) from operations	67	(236)

16 Analysis of changes in net debt

	1 August 2022 £'000	Cash flows £'000	31 July 2023 £'000
Cash at bank and in hand	403	921	1,324

17 Commitments under operating leases

At the reporting end date the College had outstanding commitments for future minimum payments under non-cancellable operating leases, which fall due as follows:

	2023 £'000	2022 £'000
Amounts due:		
Within one year	-	-
Between one and five years	14	3
	14	3

18 Capital commitments

	2023 £'000	2022 £'000
Capital commitments:		
Contracted for but not provided at 31 July	309	-
Authorised but not yet contracted for at 31 July	96	-

19 Retirement benefits

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 a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a multi-employer defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No defined benefit pension liability arises as a result of contributions to the Group Personal Pension Scheme.

The TPS pension costs are assessed in accordance with the advice of independent qualified actuaries. Prior to 31 August 2023, the latest actuarial valuation of the TPS was at 31 March 2016. A further valuation of the TPS, relating to the period ended 31 March 2020 was published in Oct 2023.

	2023 £'000	2022 £'000
Total pension cost for the year		
Teachers' Pension Scheme - contributions paid	513	438
Group personal pension scheme – contributions paid	71	65
Total pension cost for year within staff costs (note 5)	584	503

19 Retirement benefits (continued)

Contributions amounting to £68,000 (2022 - £ 56,000) for the TPS and £7,000 (2022 - £ 6,000) for the group personal pension scheme were payable to the scheme at 31 July and are included in creditors. The liabilities were paid to the relevant schemes in the new financial year.

Teachers' Pension Scheme

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

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

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

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Valuation of the Teachers' Pensions Scheme

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

The actuarial valuation of the TPS which applied during the year ended 31 July 2023 was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs.

19 Retirement benefits (continued)

Valuation of the Teachers' Pensions Scheme (continued)

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy).

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

The pension costs paid to TPS in the year amounted to £513,000 (2022 – £438,000).

20 Events after the reporting period

On the 2 October 2023, the College Board passed a board minute reclassifying £2,957,000 of restricted reserves as unrestricted reserves. These reserves related to the sale of the College playing fields in the 1990s and with the College no longer owning any playing fields and having followed due process including taking professional advice and a review of Board minutes and other supporting documentation, no reason could be found to retain these reserves as restricted. Appropriate adjustments have been made in the financial statements for the year to 31 July 2023. There are no other events after the reporting period which would have a material impact on the financial statements and require either adjustment or disclosure.

21 Endowment funds

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2022	304	2,004	2,308
Appreciation of endowment asset investments	7	43	50
At 31 July 2023	311	2,047	2,358
Representing			
Prize funds	103	-	103
Library funds	162	-	162
Other funds	46	2,047	2,093
	311	2,047	2,358
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2021	305	2,011	2,316
Appreciation of endowment asset investments	(1)	(7)	(8)
At 31 July 2022	304	2,004	2,308
Representing			
Prize funds	101	-	101
Library funds	158	-	158
Other funds	45	2,004	2,049
	304	2,004	2,308

22 Related Party Transactions

Due to the nature of the College's operations and the composition of the Governing Body, 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 Governing Body 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. No transactions were identified during the year which should be disclosed.

23 Directors' and officers' liability insurance

The College has purchased directors' and officers' liability insurance. The insurance premium paid by the College for the year ended 31 July 2023 was £1,869 (2022 - £1,128) and provides cover of up to a maximum of £2 million for all claims during a year.

24 Members' liability

Every member of the Governing Body undertakes to contribute to the assets of the College in the event of it being wound up while he/she is a member such amount as may be required, but not exceeding five pence.

25 Learner support funds

	2023 £'000	2022 £'000
Amount disbursed as agent:		
Opening balance as at 1 August	61	53
Repaid to EFSA in year	-	(8)
Release of funds	(6)	-
Funding Body Grant - Bursary	2	18
	57	63
 Disbursed to students	 (7)	 (1)
Area uplift re Adult Learning Loans	-	(1)
	50	61
Balance unspent as at 31 July	50	61

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

WORKING MEN'S COLLEGE CORPORATION

England & Wales - Charity number 312803

Accounts



WORKING MEN'S COLLEGE CORPORATION

A company limited by guarantee and not having a share capital

Report and Financial Statements

for the year ended 31 July 2022

Company registration number: **8894**

Charity registration number: **312803**

WORKING MEN'S COLLEGE CORPORATION

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WORKING MEN'S COLLEGE CORPORATION

Key Management Personnel and Professional Advisors for the year ended 31st July 2022

Professional Advisors

Financial Statements & Regularity Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Internal Auditors

Scrutton Bland
Fitzroy House
Crown Street
Ipswich, Suffolk IP1 3LG

Bankers:

Lloyds Bank
Education Mid Markets
4th Floor, 25 Gresham Street
London EC2V 7HN

Investment Managers:

BNY Mellon Limited
Mellon Financial Centre
160 Queen Victoria Street
London EC4V 4LA

Loan Finance:

Lloyds Bank
Education Mid Markets
4th Floor, 25 Gresham Street
London EC2V 7HN

Loan Finance:

Barclays Bank
Education Team
Level 27, 1 Churchill Place
London E14 5HP

Key Management Personnel

Key management personnel are defined as members of the College's Executive Management Group.
For 2021/22 the members were:

Helen Hammond - Principal and CEO, Accounting Officer
Maria Rosenthal - Deputy Principal
Martin Jones - Vice Principal
Diana Teesdale - Director of Learning
Lisa Marklew - Director of Learning
Caroline Poole - Director of Learner Services
Claudia Forbes - Head of MIS
Julie Paterson - Head of HR
David Barnes - Head of Network and IT
Andy Christophi - Head of Facilities (from 1 March 2022)

Board of Governors

A full list of Governors is given on page 21.

The position of Clerk to the Corporation was held by Bill Barker (0.5 f.t.e. appointment)

The Board of Governors, who are directors for the purposes of the Companies Act and trustees for the purposes of the Charities Act, hereinafter referred to as the Corporation, present their annual report and the audited financial statements of the Working Men's College Corporation ("the College" or "WM College") for the year ended 31 July 2022.

WORKING MEN'S COLLEGE CORPORATION

Members' Report including the Strategic Report for the year ended 31st July 2022

NATURE, OBJECTIVES AND STRATEGIES

Legal Status

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI), now known as an Institute of Adult Learning (IAL), under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and it is a registered charity. The College is subject to the legal framework governing the Further Education sector, including the rules set from time to time by the Government departments and agencies with responsibility for the sector. During 2021/22 these were the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA) together with the Greater London Authority (GLA) who have provided funding to the College from 1 August 2019 under devolved funding arrangements. The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by Funding Agreements with the EFSA and the GLA. In addition, the College, as a charitable company limited by guarantee, is governed by the charitable company's memorandum and articles of association.

The College also meets the definition of a charitable company for UK corporation tax purposes as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains covered by the relevant legislation, provided that they are applied to exclusively charitable purposes.

Mission

The Corporation keeps the mission statement and strategic objectives under regular review. The mission statement was updated in 2015/16 and reviewed in 2019/20 without further amendment. The current mission statement adopted is:

"To provide diverse, enriching and enjoyable lifelong learning including skills for work, in a supportive environment for adults in Camden and the local area."

Strategic Plan

College Governors and managers developed a new 3-year strategic plan during 2018/19 which was approved by the Corporation in July 2019. The plan covers the period from 2019 to 2022 and the strategic objectives adopted are set out below:

Excellence for all. We will

- Provide an enriching learning experience that raises aspirations, celebrates success and promotes inclusion and diversity.
- Ensure all learners are supported and inspired to meet and exceed their individual aims and objectives and progress towards long term goals.
- Enable learning that leads to improved physical and mental health and social and emotional well-being as well as improved employment prospects.
- Support learners to become expert learners through teaching and learning that takes place beyond the classroom and develops their digital skills.

WORKING MEN'S COLLEGE CORPORATION

Members' Report including the Strategic Report for the year ended 31st July 2022

Effective and sustainable. We will:

- Optimise learning opportunities by deploying the College's physical, human and virtual resources to provide greater efficiency for the College.
- Provide IT infrastructure and learning materials to facilitate and enhance both classroom and digital learning experiences.
- Develop systems, processes and resources to eliminate unnecessary bureaucracy and provide online access to core information on a timely basis.
- Identify relevant new funding and commercial income opportunities, pursuing those that will support sustainable new activities or expand existing provision.

Working Together. We will

- Work in partnership with the GLA and London IALs for the benefit of all adult learners.
- Take learning into the local community to ensure that there are no barriers to access learning opportunities.
- Develop partnerships with other providers to provide opportunities for learning that complement or extend WMC studies.

Public Benefit

The College is a registered charity and following the machinery of Government changes in July 2016, is regulated by the Secretary of State for Education as Principal Regulator for all Further Education Corporations in England. The Governors of the Corporation, who are trustees of the charity, are disclosed on page 21.

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

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

- High quality teaching and learning;
- Widening participation and tackling social exclusion;
- Excellent employment record for students;
- Strong student support systems;
- Links with employers in industry and commerce; and
- Links with Local Enterprise/ Skills and Improvement Partnerships.

Further information and examples of the delivery of public benefit are covered throughout the remainder of the Members' Report including the Strategic Report.

General Financial Objectives

The College's general financial objectives were revised in 2017 and reviewed regularly but have not changed since then. The existing objectives approved by Governors in June 2017 are to maintain:

- Cash days of not less than 40 nor greater than 65
- An adjusted current ratio in the range of 2.0:1 – 2.5:1
- Earnings Before Interest Taxation Depreciation and Amortisation (EBITDA), using ESFA education specific definition, of between 4% and 6% of income
- Borrowing as a percentage of non-endowment reserves of less than 15%
- Staff costs (excluding restructuring costs) between 64% and 68% of income.
- Financial health of "Good" with a score of at least 200 points

WORKING MEN'S COLLEGE CORPORATION

Members' Report including the Strategic Report for the year ended 31st July 2022

In 2021/22, 2 of the 6 financial objectives were met.

<u>Objective</u>	<u>2021/22</u>	<u>Met</u>
Cash days of not less than 40 nor greater than 65	26	Not Met
An adjusted current ratio in the range of 2.0:1 – 2.5:1	0.96	Not Met
EBITDA, using ESFA education specific definition, of between 4% and 6% of income	5%	Met
Borrowing as a %age of non-endowment reserves of less than 15%	6%	Met
Staff costs (excluding restructuring costs) between 64% and 68% of income	69%	Not Met
Financial health of "Good" with a score of at least 200 points		Not Met

After two years of restricted activity because of Covid-19, the College in 2021/22 has had a year where learner numbers have returned to or exceeded pre-Covid 2018/19 levels. Consequently, the EBITDA recovered and staff costs returned to 69% as a proportion of income. The financial health grading remains as "Good" and is consistent with the revised 2020/21 assessment. Governors and managers remain confident that the underlying position and performance of the College remains robust and fully expect to return to meeting all its objectives. If the budget for 2022/23 is achieved, the College will maintain this financial health grade.

Investment Fund Objectives

The College's investment fund financial objectives were revised in February 2014 and are as follows:

- To review fund management objectives at regular intervals and in response to changing market conditions.
- To achieve a balance between income and capital growth.
- To achieve a total return of "inflation plus 4%".
- To invest the funds in Newton's Global Growth and Income Fund for Charities (GGIFC).

At 31 July 2022, all investments were held with Newton (BNY Mellon).

At 1 August 2021, the investment portfolio was valued at £5,799 million. The investment income received during the year was £128,000, which equates to 2.2% of the opening valuation. The portfolio value decreased slightly to £5.781 million by 31 July 2022 representing a small decline of less than 1%. These performances reflect the beginning of the global economic downturn in 2022 because of the Ukraine war, the world energy crisis and global supply chain issues, post the coronavirus pandemic.

WORKING MEN'S COLLEGE CORPORATION

Members' Report including the Strategic Report for the year ended 31st July 2022

Performance Indicators

Ofsted Inspection

Working Men's College's most recent inspection took place in November 2018.

The College's grades awarded by Ofsted were:

Overall Effectiveness	Good
Adult Learning Programme	Good
Quality of Teaching, Learning and Assessment	Good
Personal Development, Behaviour and Welfare	Good
Outcome for Learners	Good

Grant Funding

The College's performance against the Education and Skills Funding Agency's (ESFA) revenue and learner number targets in 2021/22 is set out below:

Funding for Adults

Funding Category		Target (allocation) (GLA/ESFA contracts)	Actual Outturn (Final Claim)	Performance (%)
Adult (19+) Learner- Responsive Funding	Adult Education Budget (AEB)	£4,824,189	£4,813,458	99.8 %

Under ESFA funding rules, the College can expect to receive the lower of the final actual outturn or the funding allocation, subject to a "reconciliation threshold." For 2021/22 the College under achieved by 0.2% of the contract value. This under achievement solely relates to ESFA funded income where £44,000 was earned against an allocation of £50,000. This £6,000 is subject to claw back in 2022/23. Formula funded income achieved an additional £37,000 of income against an allocation of £2,046,000. This will be paid in 2022/23. No income was earned against the allocation for National Skills of £50,000 and this has been carried forward in to 2022/23.

Funding for 16-19 Year Olds

Funding Category		Target (allocation) (ESFA contract)	Actual outturn (Final Claim)	Performance (%)
16-18 Learner Responsive Funding	Learner Numbers	22	34	154%
	Funding Value	£110,724	£ 163,921	148%

Under the ESFA lagged funding rules, the College will receive the target funding value for the year and any over or under performance will be taken into account in funding allocations for future years.

The College exceeded the contract value by 48%. However, because of the lagged funding rules this overachievement will not be recovered until next year.

WORKING MEN'S COLLEGE CORPORATION

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Other Income

The table below shows the proportion of the College's income received in the form of direct funding body grants for the last five years:

Year	Direct Grants £'000	Total Income £'000	%
2017/18	4,679	5,883	81%
2018/19	4,678	5,789	80%
2019/20	4,765	5,373	89%
2020/21	4,977	5,634	88%
2021/22	5,285	6,055	87%

The proportion of College income derived from direct grant funding has dropped by 1%. Whilst grant funded income as a proportion of total income had increased markedly in 2019/20 because of the Covid-19 pandemic, this reduced by 1% in 2020/21, because of a significant recovery in tuition fee income. This income stream grew by 53% over the previous year with an increasing number of students returning to in person classes. Although increasing, tuition fee income still only represents 9% of total income.

The College is committed to reducing its dependence on direct funding body grants through expansion of provision sponsored by employers and the development of a short course offer in winter and summer and of full cost courses on "Special Saturdays".

The amounts received by the College through adult learning loans, for learners aged 19 or over who are studying at level 3 or higher, are included in the fee income. These have not been proven to be popular with learners and contributed only £2,000 of fee income in 2021/22 (2020/21 - £38,000).

The College keeps the level of fees under constant review to optimise income while ensuring that adult education remains accessible to as many people as possible, some of whom can afford full cost courses. The majority benefit from GLA/AEB grant provision and enroll on subsidised courses, and some provision at nil cost.

Learner Numbers

In 2021/22 there were **3961** learners of which 2483 were female and 860 males (the overall figure of 3961 includes some individuals counted twice if they are on both an accredited and non-accredited course). There were **9034** enrolments in the College, mostly on part-time courses ranging from one 2 hour session to a full 3 days per week and including the learners enrolled on courses in the community. Overall learner numbers increased by about 1000 and enrolments by 150 in the accredited provision and by 850 on non-accredited courses. This was due to the lifting of covid restrictions and the confidence of learners to return to the College.

Learner Performance

In 2021-22 enrolment numbers returned to near previous volumes, only about 3% down on pre-covid 2018/19. The College settled into blended delivery models and achievement rates regained the high, pre-covid levels, with accredited courses at **86%** and non-accredited at **93%**, the highest rate for 4 years.

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Wider outcomes are captured through a range of learner surveys and feedback forms. In 2021-22 a “confidence gains” survey was issued to learners at the end of their courses in ESOL, English, maths, Health and Wellbeing, Supported Learning and Community courses. Learners were asked whether their course had increased their confidence in a range of activities and situations that they encounter in their daily lives, such as talking to healthcare professionals, the Council, the JobCentre Plus, their landlord, neighbours, staff at their children's school, or when shopping, at work, engaging in job search, managing their personal budget, time management, using transport etc. The College also issues a learner survey to all learners gathering information about satisfaction with the College and their course as well as participating in the mandatory London Learner Survey which measures outcomes and where the College achieved one of the highest levels of participation in London. The level of satisfaction in the College survey increased significantly from previous years in all questioned areas.

The College's annual Celebration of Success Awards was back on site in the summer of 2022 after two years online due to covid. Students passionately shared moving stories of how the College has changed their lives, for example giving them the language skills that enable them to communicate outside their family and participate in their community, enabling them to gain employment and overcoming mental health issues.

Curriculum Developments

Curriculum teams have continued to review the range of provision and develop progression opportunities, with a greater emphasis on qualification achievement and employment outcomes for learners. Whilst retaining the essential ethos of the College, the ongoing drive to develop opportunities for formal accreditation alongside the well-established, non-accredited provision has continued, with a further increase in external accreditation in the vocational curriculum and arts, and a review of the qualifications offered: the establishment of AAT accountancy qualification with its extension to level 3 in 2022/23 being an example. The increasing need to be highly responsive to the need for retraining and refocusing on new skills and readiness for work has been a focus for the College over the past year and will be continued for the foreseeable future.

The College offers a range of services to support learners outside of their formal classroom provision. The Learning Centre and the Library provide supported learning for study outside the classroom. These facilities have an important role in assisting learners with limited IT skills or connectivity to maximise the benefit from their main course. Support for job search, the National Careers Service and employability skills coaching is based in the Learning Centre and Library.

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The table below shows student overall achievement for all College courses, as reported in the College self-assessment report.

Accredited Learners (864 learners with 1,662 enrolments)

Year	Retention	Pass rate	Overall Achievement	Attendance
2020/21 Actual	94 %	91 %	85 %	90 %
2021/22 Target	94 %	98 %	92 %	91 %
2021/22 Actual	96 %	90 %	86 %	84 %
Percentage point change 2021/22 over 2020/21	+2	-1	+1	-6

Non-Accredited Learners (3,097 learners with 7,372 enrolments)

Year	Retention	Pass rate	Overall Achievement	Attendance
2020/21 Actual	93 %	99 %	92 %	89 %
2021/22 Target	94 %	98 %	92 %	91 %
2021/22 Actual	95 %	99 %	93 %	85 %
Percentage point change 2021/22 over 2020/21	+2	No change	+1	-4

Other External Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as overall achievement rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The Finance Record produces a financial health grading. Under the ESFA's new methodology for calculating the grade, the College achieves a "Good" rating for 2021/22 and "Good" for the 2022/23 budget. This is a consequence of the EBITDA in 2021/22, resulting from recovery from Covid-19, with income and operating performance.

In summer 2018, Working Men's College became the first college in London and the first adult college nationally to be awarded chartered membership of the Chartered Institution for Further Education. The College's Principal was recognised with fellowship of the Institution in summer 2019.

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Financial Position

Financial Results

The College reported a third year of operating deficit at £230,000 for the year to 31 July 2022 (2021 – deficit of £94,000). Whilst another year of operating deficit is disappointing, income growth is strong, particularly in non grant funded areas. Cash will continue to be strictly monitored and costs will be tightly managed to ensure the College delivers the budget set for 2022/23.

The College purchased £427,000 of other new tangible fixed asset additions during the year, of which £153,000 was computer equipment and £274,000 related to other building improvements, furniture, fixtures and fittings. At the end of the year, the College owned tangible fixed assets with a net book value of £8.831 million of which £8.540 million related to buildings and building improvements, £291,000 related to computer and other equipment, fixtures and fittings.

Investments

The College's performance on its endowment investment portfolio is set out in note 12 to the accounts. The portfolio generated an income return of £127,000 during the year and decreased in value by £18,000. The portfolio had a market value of £5.781 million at the balance sheet date (2021 - £5,799million).

Total comprehensive income in 2021/22, stated after investment gains, was a deficit of £173,000 (2020/21 - surplus of £933,000)

Reserves

The College has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation and continues to ensure that there are adequate reserves to support the College's core activities.

As of 31 July 2022, general income and expenditure funds totalled £7,841 million, compared to the 2021 total of £8,068 million. The College also held restricted funds and endowments totaling £5,700 million (2021: £5,644 million). These funds have been given to the College for purposes specified by donors and therefore are not available to the Corporation for general use although some of the endowments are classified as expendable.

It is the intention of the Corporation to maintain a balance in the level of reserves between providing adequate levels of contingency and investing in projects that will develop the College and support delivery of the strategic plan.

The Corporation is formulating a medium term strategic financial plan to replenish the reserves used over the past three years.

Current And Future Development and Performance

Financial Plan

The College Governors approved a financial plan in July 2022 which sets objectives for the period to July 2023 and demonstrates financially how the College can expect to deliver its strategic objectives.

The plan has an operating surplus of £17,627 and the Governors evaluated the plan carefully and consider that the underlying business remains strong and expect to maintain annual budgets that are in surplus. Additionally, it was noted that the cashflow associated with the budget was cash generative and so helps improve the College's cash reserves and current ratio which is currently significantly below the financial objective target.

WORKING MEN'S COLLEGE CORPORATION

Members' Report including the Strategic Report for the year ended 31st July 2022

Treasury Policies and Objectives

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

Cash Flows and Liquidity

There was a net cash outflow for the year of £407,000 (2021: inflow of £50,000). This is a result of several factors. The College reported a deficit position for 2021/22. In addition, working capital requirements increased and whilst payments for fixed assets have fallen, so have receipts from new capital grants.

Long Term Loans

The College has two existing long-term loans at fixed rates of interest: one with Lloyds Banking Group for £1,000,000, drawn down in July 2007 and the other with Barclays for £500,000, drawn down in July 2008. Both loans were taken out to support the major capital building improvement works programmes at the College's Crowndale Road site. On 31 July 2022, the total loan principal outstanding was £629,000 (2021: £719,000), of which £390,000 is owed to Lloyds and £239,000 to Barclays. The College has not breached any of the loan covenants on either loan and does not foresee a risk of that happening within the current planning horizon.

The College keeps the loans under review and whether they should be paid down early in full or in part. Currently, the Governors consider the financial penalty for early payment of a fixed term loan does not represent value for money.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 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%. During the accounting period 1 August 2021 to 31 July 2022, the College considers that it achieved this target for invoices where there were no disputed costs. The College incurred £830 in interest charges and late payment fees to 3 suppliers in respect of late payments.

Restructuring

The College continued to keep its staff structure under review to ensure it remains fit for purpose, affordable and able to provide the best possible service to learners. The College incurred £14,000 contractual and £2,000 of non-contractual restructuring costs (2021 £nil contractual and £nil non-contractual).

Future Developments

The College resumed normal face to face patterns of delivery with on-line learning continuing to be a feature of the College delivery model.

The College is developing a stronger and expanded employability provision to support those finding themselves unemployed or needing to change career or the sector in which they work. This includes working with community partners and external agencies and using the GLA's London Covid Recovery Delivery funding which continued into 2021/22.

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Other planned curriculum developments include strengthening level 2 provision and subsequently level 3 for 2022-23, in particular in Business. An expanded humanities offer and a suite of health and wellbeing courses are also being expanded to meet the needs of local residents' post covid.

Whilst the College respects the spirit of the funding guidance on charging participants (pound plus). It will continue to refine its approach to charging fees on Community Learning funded courses to ensure that courses are accessible to all and finance is not a barrier to learning. It recognises the need to appropriately increase fee income for some courses in order to subsidise others.

The London Institutes of Adult Learning continue to develop closer working links and collaborations.

Resources

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

Tangible resources, with a book value of £8.831m, include the main site at Crowndale Road with a book value of £8.574 million, principally related to building works completed in 2008 and 2012 in Phases 1 and 2 of the Accommodation Strategy and the recently completed heating and ventilation programme. There is a second centre in Kentish Town owned by the London Borough of Camden and used by the College on a tenancy-at-will basis.

Financial resources include investments and endowments totaling £5,781 million at the balance sheet date plus short-term deposits and cash holdings of £403,000, offset in part by long term debt of £533,000. The budget and cash flow forecasts for 2022/23 and beyond demonstrate that the College will continue to have sufficient resources available to it to meet obligations as they fall due and maintain operations.

Human resources comprise a staff base of 100 full-time equivalents, of whom 55 are teaching staff, with a headcount of 195 (122 teaching) as the College makes extensive use of subject specialists, many of whom teach part time at the College whilst also working in their specialist industry.

The College has a strong reputation locally, based on the quality of services, the breadth of community involvement and the continuing interest in long and distinguished history, as well as the benefit of an Ofsted "Good" rating.

Principal Risks and Uncertainties

The College has developed strategies for managing risk and has embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation and enable it to respond in a timely and proportionate manner to changing circumstances.

The SLT regularly reviews the risks the College is exposed to. The members identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are implemented and internal audit work and other monitoring throughout the year helps appraise their effectiveness and progress against risk mitigation actions. The SLT also considers the impact of the latest government guidance and rules as well as any risks which may arise because of new or changed areas of work being undertaken by the College.

A risk register is maintained at College level and formally reviewed at EMG meetings. The risks are assigned to the most relevant committee of the Corporation and reviewed at termly meetings of those committees and then annually by the full Board. The risk register identifies the key risks, systems and procedures to control them, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. The risk description and mitigating control measures for each risk include an explicit evaluation of the Covid-19 impact. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

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Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the SLT during 2021/22. Not all the factors are within the College's direct control.

1. Government Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies.

In 2021/22, 87% of the College's income was publicly funded (2020/21 – 88%)

The College maintains an objective of reducing dependence on state funding but recognises that it will remain the dominant source. Government funding helped to maintain financial stability during the pandemic and provided some protection from the wider economic volatility. The College is aware of several issues which may impact on future funding and associated income: Inflation, energy costs and wage increases not matching increased prices.

- The implementation of the announcements in the Chancellor's comprehensive spending reviews and the expected Further Education and Skills Act and how these will be reflected in individual College funding allocations
- Changes to priorities, allocations and methodologies following devolution of funding to the Greater London Authority
- The extent to which learners are willing to take up "advanced learning loans" particularly following extension of the scheme to learners aged 19 plus from September 2016.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training;
- Considerable focus and investment of time is placed on maintaining and managing key relationships with funding bodies and sector organisations, including the new GLA staff, so that they understand the circumstances, challenges and potential of the College;
- Increasing links with employers to ensure that provision remains relevant to work and skills needs;
- Promoting examples of how successful learners progress into the labour market; and
- Collaborating with other Institutes of Adult Learning as appropriate.

2. Tuition Fee Policy

Government ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, WM College will seek to increase fees in accordance with the fee assumptions and also develop a range of studio and short full cost courses. The College values strongly the principle of access to learning being available to everyone, regardless of financial circumstances. It will continue to hold these two objectives in balance. The risk for the College is that demand falls off as fees increase and this will impact on the growth strategy of the College.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training demonstrating value for money for students;
- Close monitoring of demand for courses as prices change and responding swiftly and appropriately;
- Market research to establish demand, willingness to pay and price elasticity;
- Marketing incentives and campaigns to encourage and incentivise enrolments;
- Flexible fee payment opportunities and methods including instalment plans;

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3. Competition from other providers

Learners in London have a number of educational providers available to them: WM College is a small college with students' learning supported by ALS, Open Learning Centre and Library. There is access to an employability coach. Mitigation actions include:

- Promoting the College's niche position in terms of size, reputation and curriculum offer as an Institute of Adult Learning;
- Innovation and development within the College's core curriculum to tap new markets;
- Exceptional one-to-one pastoral and employability support

4. Adverse impact on financial viability from disproportionately large ESOL provision.

ESOL provision is potentially the most vulnerable area given its size. However, the demand and need for this provision amongst the local communities that the College serves remains high and is currently a government priority. In the summer of 2022, the College delivered ESOL to 150 Ukrainian refugees in addition to its mainstream delivery.

Mitigation actions include:

- Monitoring government and funding agency information and announcements closely to get early warning of any proposed changes and opportunities and plan accordingly;

5. Severe adverse publicity

The College is well known in the local community and recruits the vast majority of its learners from the communities around the College. Any adverse publicity could therefore impact on recruitment.

As part of risk mitigation, the College has reviewed its marketing approach and arrangements and makes use of external expertise to bring fresh ideas, new campaigns and an appropriate balance between traditional marketing and social media to promote the College. New College branding was introduced in summer 2020 that reflects the image and values of the College and represents it appropriately to the community and target markets.

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Stakeholder Relationships

In line with other colleges and educational institutions, the Working Men's College has many stakeholders and an extensive range of relationships with local people and groups. These include

- the College's own students and staff;
- funding bodies, especially the Education and Skills Funding Agency and the Greater London Authority;
- the London Borough of Camden;
- a range of local employers;
- Local Enterprise Partnerships (LEPs);
- local community groups, including the Somers Town Big Local for whom the College acts as the "Local Trusted Organisation (LTO);"
- the other Institutes of Adult Learning (IALs), especially the four based in London;
- local FE colleges;
- the FE Commissioner; and
- trade unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a range of media and methods.

Community Responsiveness and Employer Engagement

The College has been implementing a successful community engagement strategy for many years; it has established provision at 28 local outreach venues and built several proactive partnerships and close working relationships with the voluntary and community sector in central Camden. The community provision continues to take provision to students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. These working relationships help identify and target disadvantaged learners in Camden. Further information on these aspects of the College's work can be found in the Self-Assessment Report available via the College website or on application to the Clerk to the Corporation.

The focus for the College's work is on ensuring local people have the opportunity to gain local employment and to this end has developed working relationships with local partners, in particular Camden Council, health and care organisations, the King's Cross redevelopment, Crossrail and HS2 and projects coming from the voluntary and community sectors. The College also works with a wide range of voluntary and other organisations which provide specialist support to students to build self-confidence and facilitate progression to work related training and employment.

Educational Links

The College has a wide variety of strategic links with other educational institutions.

The Greater London Authority (GLA) became the College's principal funder for adult education from August 2019 whilst the Education and Skills Funding Agency (ESFA) remains the funder for all 16-19 activity and for adult funding for learners living outside the London boroughs controlled by the GLA.

The group of four London IALs – the Working Men's College, the Mary Ward Centre, City Lit and Morley College, more recently joined by Richmond and Hilcroft Adult Community College – have a very long-standing partnership which is used in a variety of constructive ways to address national, regional and local priorities. Closer working and a new common identity as the London Adult Learning Institutions has enabled some joint initiatives to be developed effectively.

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There are ongoing partnerships with the Institute of Education and the University of Greenwich through which placements are provided at the College for trainee teachers supported by strong mentoring relationships with established and experienced teachers although these did not operate during 2020/21 due to the coronavirus pandemic preventing effective and safe placements.

Staff and Student Involvement

The College considers good communication with staff and students to be vital. The Corporation includes two staff members and two student members and the Curriculum Quality and Standards Committee includes all academic managers. Staff and student bulletins and newsletters were produced during the year and a regular Principal's Update issued to all staff to increase communication during the Covid-19 pandemic is now well established. The College Intranet is also used to facilitate communication with staff.

Most of the working parties and development groups within the College include staff and student representation. Sometimes it is difficult to secure the level of staff and student participation that is desirable because of the high proportion of teaching staff and students who are part-time. The Health and Safety Consultative Committee was re-established during the year, following the appointment by the recognised teaching union of a health and safety representative.

Equality

The College is committed to promoting equality of opportunity in all aspects of its operations for all who learn or work at the College. It recognises its legal responsibilities, respects and values all differences and individual choices and takes all reasonable steps to ensure there is no discrimination against any student, member of staff or the public, on the grounds of race, gender, sexual orientation, disability, religion or belief and age. Monitoring systems have been introduced and performance targets identified. The College's Equality Policy is published on its website and produces an annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010.

Employment of Disabled Persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those of non-disabled employees.

Disability Statement

A key purpose of the College is to be a learner-centred college dedicated to providing opportunities for lifelong learning for the diverse range of London adults who may not be able to study full time, particularly those who have missed out on their initial education.

As part of its commitment to inclusive education and equality of opportunity, the College welcomes students with learning difficulties. The College endeavours to be flexible and match the learning support to each student's individual needs and achieve the objectives set down in the Equality Act 2010.

The College employs a full-time Disability Officer to promote awareness and implementation of this statement and supporting policies.

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The aims of the College include:

- identifying and responding to individual student needs, to improve continually students' learning experience;
- ensuring all students achieve their full potential through the provision of a high quality student centred learning environment;
- actively promoting equality of opportunity for all students;
- ensuring appropriate steps are taken to guarantee that a disabled learner is not placed at a substantial disadvantage in comparison with a learner who is not disabled.

A range of courses for learners with learning difficulties or disabilities has been introduced to provide learning in smaller groups and at a pace that increases these learners' ability to achieve their learning aims and progress to further study or employment.

Safeguarding and Prevent

The College fully recognises its responsibility to promote safe practice and to protect and safeguard the welfare of everyone working and studying there. Governors and managers believe that learning takes place most effectively within a culture in which all individuals trust the College to keep them safe from harm while there and give them information, advice and help to keep themselves safe from harm at other times. There are clear processes and procedures in place should anyone have a concern and the College works with a number of external agencies to support learners to remain in learning, including the FE Prevent coordinators.

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. The following information relates to the period from 1 April 2021 to 31 March 2022 as required by the Regulations and is also made available on the College's website.

Number of employees who were relevant union officials during the relevant period		1
Full time equivalent employee number		1
	Percentage	No. of employees
Percentage of time spent on facility time	1 – 50%	1
Percentage of pay bill spent on facility time		
Total cost of facility time		£350
Total pay bill		£4,171,000
Percentage of total pay bill spent on facility time		0.01%
Paid trade union activities		
Time spent on paid trade union activities as a percentage of total paid facility hours		0%

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Events after the end of the reporting period

On 29 November 2022, the Office for National Statistics reclassified all college corporations to Central Government sector with immediate effect. This will mean that colleges will now be subject to the framework for financial management set out in the Managing Public Money (MPM) and the Department for Education will introduce new rules for colleges, some of which will take effect immediately.

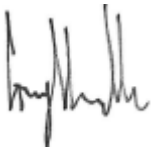
Going Concern

After making appropriate enquiries, including giving careful consideration to the current and potential further impact of Covid-19 on the College's operations and finances, the members of the Corporation consider that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to Auditors

The Governors 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 Governor 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.

The members' report including the strategic report was approved by the members of the Corporation and signed on their behalf on 14 December 2022 by:



Guy Shackle
Chair

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control for the year ended 31st July 2022

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the AoC Code. The College has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, it has reported on Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code considered to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the AoC Code and it has complied throughout the year ended 31 July 2022. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 15 July 2015.

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

Governors of the Corporation

The Governors who served on the Corporation during the year ended 31 July 2022 and up to the date of signature of this report are listed on the following page.

Key to committees

A Audit	E Estates Strategy Group (no meetings
S Search	R Remuneration
F Finance, Personnel & Development	Q Curriculum, Quality and Standards
	Ch Committee Chair

Number of meetings

Corporation	3	Curriculum, Quality and Standards	3
Finance, Personnel & Development	3	Search	1
Audit	4	Remuneration	1

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control

for the year ended 31st July 2022

Governors (Appointed and Nominated) who served between 1 August 2021 and up to the date of signature of this report were:

Name	Date last Appointed/ Reappointed	Date First Appointed	Term of Office	Date Resigned	Status of Appointment	Comm- ittees	Full Corp'n Meetings Attended
Amanda Blinkhorn	30/03/2022	21/03/2018	3 Years		Nominated Tchng Staff	Q	3 of 3
Barbara Byrne	01/04/2020	11/12/2013	3 Years		Appointed	F(Ch), Q, R	3 of 3
Susan Corby	15/07/2020	15/07/2020	3 Years		Appointed	F,Q,R	3 of 3
Fran Fahey	30/03/2022	03/04/2019	3 Years		Appointed	F	3 of 3
Khaly Fall	30/03/22	25/06/2021	1 Year	31 July 2022	Nominated Student	Q	2 of 3
Neil Garner	15/07/2020	15/07/2020	3 Years		Appointed	A	3 of 3
Helen Hammond	01/12/2014	01/12/2014	Ex Officio	30 September 2022	Principal	F, Q, S	3 of 3
June Jarrett	16/07/2020	12/07/2017	3 Years		Appointed	Q	2 of 3
Samata Khatoon	23/03/2021	21/03/2018	3 Years		Appointed	Q	3 of 3
Monika Kinasiewicz	01/11/2022	01/11/2019	3 Years		Nominated Bus. Staff	Q	2 of 3
Alexi Marmot	01/04/2020	11/12/2013	3 Years		Appointed	F	3 of 3
Tom Robins	30/03/2022	30/03/2022	3 Years		Appointed	A	2 of 2
Alice Rubbra	30/03/2022	30/03/2022	3 Years		Appointed	F	2 of 2
Guy Shackle (Chair)	23/03/2021	21/03/2018	3 Years		Appointed	R, S, F	3 of 3
Jon Sibson	30/03/2022	03/04/2019	3 Years		Appointed	Q(Ch), F	3 of 3
Max Silver	31/03/2021		3 Years		Appointed	A, (F Nov 2022)	3 of 3
Paul Smith	16/07/2020	12/07/2017	3 Years		Appointed	A(Ch)	3 of 3

+ and - indicate a Governor respectively joining or leaving a committee during the year.

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control for the year ended 31st July 2022

During the year two new Appointed Governors were appointed. 1 Nominated Student Governor stood down. Two existing Appointed Governors were re-appointed for a further term.

Significant events after year-end:

On 30 September 2022 the former Principal stood down.

In November 2022 the Vice Principal left the College. Governors took prompt action to put in place an interim Executive Team: Maria Rosenthal (former Deputy Principal) was interviewed and appointed Acting Principal and Accounting Officer. Diana Teesdale (former Director of Learning) was interviewed and appointed Acting Deputy Principal and Imelda Galvin was recruited and interviewed for the position of Interim Vice Principal. Governors have also taken action to ensure the recruitment of a permanent principal can take place in 2023

The Articles of Association for WMC Corporation were last amended and approved by the then Department of Business, Innovation and Skills (BIS) and adopted by the Corporation on 7 July 2010. The Revised Articles of Association included provision for retirement by rotation for Appointed Governors organised via three cohorts to avoid uneven bunching of consideration of re-appointments.

The Acting Principal is the Acting Accounting Officer and, ex officio, a Nominated Governor.

The Working Men's College is a company limited by guarantee and its Appointed Governors are also members of the company. Every member undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, such amount as may be required but not exceeding five pence.

Bill Barker was the Clerk to the Corporation and Company Secretary throughout the period.

Fellows of the College

In January 2020, the Search Committee agreed to propose additional 6 year terms of office for existing Fellows and new appointments and 6 year terms of office for other recently retired governors. Further development was paused during the Covid-19 pandemic and has restarted for the 2021/22 year. Current Fellows are:

Name	Year Appointed / Reappointed	Term of Office
Selwyn Midgen	2020	6 Years
Bipin Patel	2020	6 Years
Dame Ruth Silver	2020	6 Years
Baroness Janet Whitaker	2020	6 Years
Satnam Gill OBE	2020	6 Years
Lucy de Groot	2020	6 Years
Abdul Qadar	2020	6 Years
Nigel Franklin	2020	6 Years
David Offenbach	2020	6 Years
Prof Tom Schuller	2020	6 Years
Paula Whittle	2020	6 Years

Role of the Corporation

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

Thus, the Corporation is responsible for determining the educational character and mission of the College together with its broad strategic approach. It oversees the delivery of the College's aims and objectives, the stewardship of its assets and safeguards the efficient and effective use of its resources.

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control for the year ended 31st July 2022

The Principal / Acting Principall is accountable to the Corporation, within the framework set by the Governors, and advises the Governors in the exercise of their responsibilities. The Corporation looks to the Principal and the College management to manage the day-to-day running of the College

The Corporation is provided, by College management, 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 full Corporation meets at least termly – The December 2021 meeting of the Board was held on-line due to the emergence of the Omicron Covid-19 virus. Governors received updates on learner enrolments, college funding and finances and collaborative arrangements with the other London Institutes of Adult Learning. There was a Strategy / Welcome to 2021/22 session in October 2021 addressed by Mary Vine-Morris (AoC Regional Director).

The Corporation conducts its business through a number of committees, each chaired by a Governor. Each committee has terms of reference which have been approved by the full Corporation. The committees which operated during the year were:

- Audit Committee
- Curriculum, Quality and Standards Committee
- Finance, Personnel and Development Committee (FPDC)
- Remuneration Committee
- Search Committee

Full minutes of all meetings, except those deemed by the Corporation to be confidential, are available from the Clerk to the Corporation, Bill Barker, at:

Working Men's College
44 Crowndale Road
London NW1 1TR

Minutes for Corporation meetings can be downloaded from the Governors' page of the College Website:
<https://www.wmcollege.ac.uk/about-us/governance/>

The Governors receive no remuneration for their services but are entitled to claim out of pocket expenses. A total of c£150 was claimed for the year to 31 July 2022 (nil in 2020/21). The Clerk to the Corporation maintains a register of financial and personal interests of the Governors and key management personnel of the College. The register is available for inspection on application to the Clerk at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters 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 that could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility as the roles of the Chair of the Corporation and Accounting Officer of the College are separate.

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control

for the year ended 31st July 2022

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 comprising six Governors, 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 induction and training is provided as required. Members of the Corporation are appointed initially for a term of office not exceeding three years.

Corporation Performance

Governors considered a report at the December 2022 Board meeting, ahead of approving the report and accounts, which identified governance arrangements at the College during 2021/22., Governors self-assessed their performance as "Good". They made particular reference to the session with Dr Ope Lori from Pilaa which helped them to explore and develop ideas for enhancing Equality, Diversity and Inclusion.

Remuneration Committee

The Remuneration Committee comprises four Governors excluding the Accounting Officer. The Committee's responsibilities are to consider the College's annual report on senior management pay and to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other designated Senior Postholders.

Details of remuneration for the year ended 31 July 2022 are set out in notes 6 and 7 to the financial statements.

Audit Committee

The Audit Committee comprises three Governors (excluding the Accounting Officer and Chair of Corporation) including a finance and audit specialist. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

	Appointment	Possible Meetings	Attended	Attendance
Paul Smith (Chair)		4	3	75%
Neil Garner		4	4	100%
Max Silver		4	4	100%
Tom Robins	30 March 2022	1	1	100%

The Audit Committee met four times during the year and provides a forum for reporting by the College's internal and financial statements auditors, who have right of access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the Education and Skills Funding Agency as they affect the College's business.

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 appoints the internal auditors and advises the Corporation on the appointment of financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation. The appointment of financial statements auditors is an annual item of business for the full Board of Corporation.

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control for the year ended 31st July 2022

Internal Control

Scope of Responsibility

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

The Corporation has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreements between the College and the Education and Skills Funding Agency and the College and the Greater London Authority. 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 designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within Working Men's College for the year ended 31 July 2022 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2022 and up to the date of approval of the Annual Report and Financial Statements. Risks are allocated to the most appropriate committee, reviewed at each meeting, and reported to the next full Corporation meeting. A full review of the risks and the annual report on risk management is undertaken by Audit Committee each autumn and reported to the full Corporation in December prior to the approval of the financial statements.

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; and
- the adoption of formal project management disciplines, where appropriate.

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control

for the year ended 31st July 2022

Working Men's College has internal audit arrangements, which operate in accordance with the requirements of the ESFA's Post-16 Audit Code of Practice. The work of the internal audit providers 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 College's Governing Body on the recommendation of the Audit Committee. Internal audit services provide the Audit Committee with reports on each internal audit activity in the College. Where appropriate, each report includes their independent opinion on the adequacy and effectiveness of the College's system of internal control, risk management controls and governance processes, including internal financial control insofar as it is impacted by the area being reported on.

Review of Effectiveness

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

- the work of the internal audit providers;
- 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 and the regularity 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 audit providers and other sources of assurance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The College's Senior Leadership Team (SLT) 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 SLT and the Audit Committee also receive regular reports from the internal audit providers, 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 SLT and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. Each committee of Corporation receives a report on risk management at every meeting including the latest extract of the College's risk register covering the risks for which it has responsibility, as reviewed and updated by the SLT.

Thus, any new risks are identified and controls on existing identified risks are reviewed on an ongoing basis. The Corporation reviews and approves the Risk Register annually and delegates monitoring of the risks listed to the most appropriate committee who consider them at each meeting. At its December 2022 meeting the Corporation will carry out the annual assessment for the year ended 31 July 2022 by considering documentation from the SLT, Audit Committee and internal audit providers and taking account of events since 31 July 2022.

The Board also considers at its December meeting the Annual Report of the Audit Committee, which includes advice to the board on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes, and on securing economy, efficiency and effectiveness (value for money). The report advises the Board of any significant matters arising from the work of the College's Internal Audit Service (IAS) and financial statements and regularity auditors appointed by the Board, and of the Funding Auditors appointed by the ESFA as applicable.

WORKING MEN'S COLLEGE CORPORATION

Statement of Corporate Governance and Internal Control for the year ended 31st July 2022

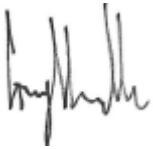
The Corporation also receives, in December, the Accounting Officer's Annual report on risk management which states the view that the College's practices have enabled it to effectively identify, evaluate and control risks in order to eliminate, reduce, contain or transfer them.

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

Going Concern

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

Approved by order of the Governors of the Corporation on 14 December 2022 and signed on its behalf by:



Guy Shackle
Chair



Maria Rosenthal
Acting Accounting Officer

WORKING MEN'S COLLEGE CORPORATION

Statement of Regularity, Propriety and Compliance for the year ended 31st July 2022

As Acting Accounting Officer, I confirm that the Corporation has had due regard to the requirements of grant funding agreements and contracts with ESFA and GLA and has considered its responsibility to notify ESFA or GLA of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm, on behalf of the Corporation, that after due enquiry and to the best of my knowledge, I cannot identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the terms and conditions of funding under the Corporation's grant funding agreements and contracts with the ESFA and GLA, or any other public funder. This view is supported by a signed Statement of the former Principal for the period 01 August 2021 - 30 September 2022.

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



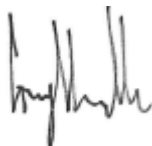
Signed

Maria Rosenthal
Acting Accounting Officer

14 December 2022

Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Acting Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



Signed
Guy Shackle
Chair

14 December 2022

WORKING MEN'S COLLEGE CORPORATION

Statement of the Responsibilities of the Governors of the Corporation for the year ended 31st July 2022

The Governors of the Corporation (who are trustees for the purposes of the Charities Act and whose Appointed Governors are also the directors of the company for the purposes of the Companies Act) are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's grant funding agreements and contracts with the Education and Skills Funding Agency (ESFA) and the Greater London Authority (GLA), the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the UK's Generally Accepted Accounting Practice (GAAP), the "College Accounts Direction 2021 to 2022" issued by the ESFA and which give a true and fair view of the state of affairs of the College and its surplus or deficit of income over expenditure for that year.

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; and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992, Charities Act 2011, the Companies Act 2006 and relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

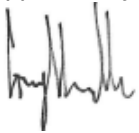
The Corporation is responsible for the maintenance and integrity of the Working Men's College website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WORKING MEN'S COLLEGE CORPORATION

Statement of the Responsibilities of the Governors of the Corporation for the year ended 31st July 2022

Governors of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and GLA and any other public funds, are used only in accordance with the ESFA's and GLA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA, GLA or any other public funder. Governors of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, Governors of the Corporation are responsible for securing economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and GLA and other public bodies are not put at risk.

Approved by the Governors of the Corporation on 14 December 2022 and signed on their behalf by:



Guy Shackle
Chair

WORKING MEN'S COLLEGE CORPORATION

Independent Auditor's Report to the Members of the Corporation of Working Men's College **for the year ended 31st July 2022**

Opinion

We have audited the financial statements of Working Men's College (the 'College') for the year ended 31 July 2022 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2022 and of its deficit of income under 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

WORKING MEN'S COLLEGE CORPORATION

Independent Auditor's Report to the Members of the Corporation of Working Men's College (continued) for the year ended 31st July 2022

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of responsibilities of the Governors of the Corporation, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of the Corporation of Working Men's College
(continued)
for the year ended 31st July 2022**

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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

- The Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the College through discussions with management and from our knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, Companies Act 2006, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

WORKING MEN'S COLLEGE CORPORATION

Independent Auditor's Report to the Members of the Corporation of Working Men's College (continued) for the year ended 31st July 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Corporation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL

19 December 2022

WORKING MEN'S COLLEGE CORPORATION

Reporting Accountant's Assurance Report on Regularity to the Governors of the Corporation of Working Men's College and the Secretary of State for Education acting through the Department for Education for the year ended 31st July 2022

In accordance with the terms of our engagement letter dated 31 May 2019 and further to the requirements and conditions of funding in the Education and Skills Funding Agency's Grant Funding Agreements and contracts, including those of the Greater London Authority (GLA), we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that, in all material respects, the expenditure disbursed and income received by the Working Men's College during the period 1 August 2021 to 31 July 2022 has not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by the GLA or other relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the Corporation of Working Men's College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of the Working Men's College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Working Men's College and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Working Men's College and the Reporting Accountant

The Corporation of Working Men's College is responsible, under the requirements of the Further and 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.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

**Reporting Accountant's Assurance Report on Regularity to the Governors of the Corporation of Working Men's College and the Secretary of State for Education acting through the Department for Education (continued)
for the year ended 31st July 2022**

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the College's income and expenditure.

The work undertaken to draw our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that, in all material respects, the expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants and Statutory Auditors
130 Wood Street
London EC2V 6DL

19 December 2022

WORKING MEN'S COLLEGE CORPORATION

Statement Of Comprehensive Income for the year ended 31st July 2022

	Note	2022	2021
		£'000	£'000
INCOME			
Funding body grants	2	5,285	4,977
Tuition fees and education contracts	3	551	354
Other income	4	91	188
Endowment and investment income	5	128	115
Total income		6,055	5,634
EXPENDITURE			
Cost of generating funds	6	3	
Staff costs	6	4,194	3,958
Fundamental restructuring costs	6	16	-
Other operating expenses	8	1,342	1,084
Depreciation	11	690	640
Interest and other finance costs	9	37	43
Total expenditure		6,285	5,728
Operational deficit before other gains and losses and before tax		(230)	(94)
Gains/(Losses) on listed investments	12	(18)	937
Gain/(Loss) on investment property	13	75	90
Surplus/(Deficit) before tax		(173)	933
Taxation	10	-	-
Total Comprehensive Income for the Year		(173)	933
Represented by:			
Restricted comprehensive income/(expenditure)		62	592
Endowment fund income/(expenditure)		(8)	374
Unrestricted comprehensive expenditure		(227)	(33)
		(173)	933

The statement of comprehensive income is in respect of continuing activities.

WORKING MEN'S COLLEGE CORPORATION

Statement Of Changes In Reserves for the year ended 31st July 2022

	Income and Expenditure reserve		Restricted reserves		Endowments		Total reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020		8,101		2,738		1,942		12,781
Deficit from the income and expenditure account		31		528		374		933
Transfers between restricted and income and expenditure reserves		(64)		64		-		-
Total comprehensive income for the year		(33)		592		374		933
Balance at 31 July 2021		8,068		3,330		2,316		13,714
Surplus from the income and expenditure account	(154)		(11)		(8)		(173)	
Transfers between restricted and income and expenditure reserves	(73)		73		-		-	
Total comprehensive income for the year		(227)		62		(8)		(173)
Balance at 31 July 2022		7,841		3,392		2,308		13,541

Included within restricted reserves at the balance sheet date is an amount of £208,895 which relates to the assets of the Francis Martin College Charitable Foundation. The Working Men's College Corporation is the sole trustee of the Francis Martin College charity (registered charity number 312802) and looks after the assets on its behalf. The assets are invested in the Newton Growth and Income Fund for Charities alongside the investments of the Working Men's College Corporation.

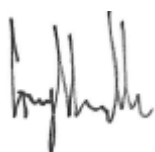
WORKING MEN'S COLLEGE CORPORATION

Balance Sheet

for the year ended 31st July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
NON-CURRENT ASSETS					
Tangible fixed assets	11		8,831		9,094
Listed Investments	12		5,781		5,799
Investment Property	13		1,725		1,650
			<u>16,337</u>		<u>16,543</u>
CURRENT ASSETS					
Trade and other receivables	14	433		180	
Cash and cash equivalents		<u>403</u>		<u>810</u>	
		836		990	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	15	<u>(1,149)</u>		<u>(1,285)</u>	
NET CURRENT LIABILITIES					
			<u>(313)</u>		<u>(295)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			16,024		16,248
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	16		<u>(2,483)</u>		<u>(2,534)</u>
TOTAL NET ASSETS					
			<u><u>13,541</u></u>		<u><u>13,714</u></u>
ENDOWMENTS					
Permanent	18	304		305	
Expendable	18	<u>2,004</u>		<u>2,011</u>	
			2,308		2,316
RESTRICTED RESERVES					
Restricted reserves			3,392		3,330
UNRESTRICTED RESERVES					
Income and expenditure account			<u>7,841</u>		<u>8,068</u>
TOTAL RESERVES					
			<u><u>13,541</u></u>		<u><u>13,714</u></u>

The financial statements on pages 37 to 55 were approved and authorised for issue by the Corporation on 14 December 2022 and were signed on its behalf on that date by:



Guy Shackle
Chair



Maria Rosenthal
Acting Accounting Officer

WORKING MEN'S COLLEGE CORPORATION

Statement Of Cashflows for the year ended 31st July 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Cash inflow from operating activities					
Surplus/(Deficit) for the year			(173)		933
<u>Adjustment for non-cash items</u>			(57)		(1,027)
(Gains)/Losses on investments					
Depreciation	11		690		640
Decrease in debtors	14		(253)		12
Decrease in creditors due within one year	15		(172)		(30)
Release of capital grants	16		(180)		(128)
<u>Adjustments for investing or financing activities</u>			(127)		(114)
Investment income receivable	5				
Interest receivable	5		(1)		(1)
Interest payable	9		37		43
Net cashflow from operating activities			(236)		328
Cashflows from investing activities					
Income from investments and endowments	5	127		114	
Other interest received	5	1		1	
Payments to acquire tangible fixed assets	11	(427)		(849)	
Receipts of new capital grants		255		585	
			(44)		(149)
Cashflows from financing activities					
Interest payable	9	(37)		(43)	
Capital element of bank loan repayments	17	(90)		(86)	
			(127)		(129)
Increase/(Decrease) in cash and cash equivalents in the year			(407)		(50)
Cash and cash equivalents at 1 August 2021			810		760
Cash and cash equivalents at 31 July 2022			403		810

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

1 Statement of Accounting Policies and Estimation Techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the SORP), the College Accounts Direction for 2021-22 and in accordance with Financial Reporting Standard 102: - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. In order to present a true and fair view, the College has not followed the provisions of the Companies Act 2006 regarding the format of the financial statements where these are not appropriate to the College's activities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of listed investments and the investment property.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members' Report including the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The balance sheet shows net current liabilities at 31 July 2022 although these revert to net current assets when non-cash items in creditors, such as deferred capital grants, are eliminated. The budget for 2022/23 is cash generative and the College cashflow forecasts demonstrate that it has sufficient cash resources, including an adequate buffer for unforeseen variances, to meet its liabilities as they fall due. In addition, the listed investments could be liquidated at short notice if necessary.

The College currently has £629,000 of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 6 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

1 Statement of Accounting Policies and Estimation Techniques (continued)

Recognition of income

Tuition fee income is recognised in the period for which it is received and includes all fees chargeable to students.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a non-recurrent government grant from the ESFA or other body is deferred and amortised in line with depreciation over the life of the associated assets funded, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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 FRS102. 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.

Post-employment Benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension scheme.

Contributions to the TPS, which is a final salary scheme, are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

As stated in Note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the comprehensive income statement in the periods during which services are rendered by employees.

Contributions to the group personal pension scheme, which is not a final salary scheme, are a fixed percentage of salary and are charged to the statement of comprehensive income on an accruals basis.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

1 Statement of Accounting Policies and Estimation Techniques (continued)

Endowments and reserves

Permanent endowments comprise monies which must be held indefinitely as capital and expendable endowments represent capital monies which can be drawn upon if required. Income therefrom is credited to the statement of comprehensive income and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted reserves.

Restricted reserves comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. At the balance sheet date, £2.957m of these related to funds connected with the College's former playing fields, including the sale proceeds. A further £209,000 represents the funds of the Francis Martin College Pfeiffer Trust scheme and the remaining £226,000 relates to equipment reserves. The College is reviewing the ongoing appropriateness of the restrictions and assets allocated to the funds.

Tangible fixed assets

Land and buildings and improvements to buildings are stated in the balance sheet at cost.

Individual items of equipment costing greater than £500 and with an expected useful life exceeding one year are capitalised at cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Tangible fixed assets are depreciated over their useful economic lives, on a straight-line basis, as follows:

Freehold buildings	2% per year for new buildings, 5% per year for existing buildings
Building improvements	4% - 10% per year
Technical equipment	25% per year
Computer hardware	33 ¹ / ₃ % per year
Computer software	33 ¹ / ₃ % per year
Furniture, fixtures and fittings	16 ² / ₃ % per year

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

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved.
- Asset capacity increases.
- Substantial improvement in the quality of output or reduction in operating costs or
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

1 Statement of Accounting Policies and Estimation Techniques (continued)

Tangible fixed assets (continued)

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.

Leased assets

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial Liabilities and Equity

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

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

Investments including endowment assets

Investments are included on the balance sheet at their market value, as provided by the investment manager, at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the statement of total gains and losses in the year in which they arise.

Investment Property

The investment property is included at estimated market value at the balance sheet date.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 Chapter 3 Part 11 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.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts

for the year ended 31st July 2022

1 Statement of Accounting Policies and Estimation Techniques (continued)

Taxation (continued)

The College receives no similar exemption in respect of Value Added Tax. For this reason, the College is generally unable to recover input VAT it incurs on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and Contingent Liabilities

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

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

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the Notes to the Accounts.

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds from the ESFA or Department for Education. Related payments received from the funding bodies and subsequent disbursements to learners are excluded from the income and expenditure of the College where the College is exposed to minimum 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 has made the following judgements:

- Determined whether leases entered into by the College either as lessor or 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.
- Determined 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.

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing 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 an asset and projected disposal values.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

1 Statement of Accounting Policies and Estimation Techniques (Continued)

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

2	FUNDING COUNCIL GRANTS	2022 £'000	2021 £'000
	Recurrent grants		
	Education and Skills Funding Agency - adult	44	53
	Greater London Authority - adult	4,698	4,403
	Education and Skills Funding Agency - 16-18	111	187
	Specific grants		
	Teachers' Pension Support Grant	137	150
	Other specific grants	115	56
	Release of government capital grants	180	128
		5,285	4,977
3	TUITION FEES AND EDUCATION CONTRACTS	2022 £'000	2021 £'000
	Adult education fees	526	310
	Fees for FE loan supported courses	7	38
	Total tuition fees	533	348
	Education contracts	18	6
		551	354
4	OTHER INCOME	2022 £'000	2021 £'000
	Government Job Retention Scheme	-	90
	Non-funding body grants	25	25
	Property rental income	44	56
	Other income	22	17
		91	188
5	ENDOWMENT AND INVESTMENT INCOME	2022 £'000	2021 £'000
	Income from restricted asset investments	73	64
	Income from endowment and unrestricted investments	54	50
	Other interest receivable	1	1
		128	115

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

6 Staff Costs

The average number of persons (including key management personnel) employed by the College during the year, described as headcount (no.) and as full-time equivalents (f.t.e) was:

	2022	2022	2021	2021
	No.	f.t.e.	No.	f.t.e.
Teaching staff	130	55	122	54
Non-teaching staff	65	45	57	44
	<u>195</u>	<u>100</u>	<u>179</u>	<u>98</u>

The total staff costs for the above persons were:

	2022	2021
	£'000	£'000
Wages and salaries	3,377	3,149
Social security costs	291	282
Other pension costs (note 19)	503	478
Payroll sub total	<u>4,171</u>	<u>3,909</u>
Contracted out staffing services	23	49
	<u>4,194</u>	<u>3,958</u>
Fundamental restructuring costs - contractual	14	-
non-contractual	2	-
Total staff costs	<u>4,210</u>	<u>3,958</u>

Fundamental Restructuring Costs

The 2022 staff restructuring costs affected 2 members of staff and relate to the implementation of very small reorganisation programmes which ensure the College staffing structure remains fit for purpose, responsive to changes in funding priorities and achieves efficiencies necessary for continued financial viability. The restructuring costs were approved by Governors.

7 Emoluments of Key Management Personnel and other Higher Paid Staff

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 the 10 posts of Principal, Deputy Principal, Vice Principal, 2 Directors of Learning, Director of Learner Services, Head of MIS, Head of HR, Head of Network and IT and, from 1 March 2022, Head of Facilities.

	2022	2021
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>10</u>	<u>8</u>

Names of the key management personnel and their periods of employment are set out on page 3.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

7 Emoluments of Key Management Personnel and other Higher Paid Staff Continued

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

	<u>Key management personnel</u>		<u>Other staff</u>	
	2022	2021	2022	2021
	No.	No.	No.	No.
£ 20,001 to £ 25,000 per annum	1	-	n/a	n/a
£ 45,001 to £ 50,000 per annum	1	-	n/a	n/a
£ 50,001 to £ 55,000 per annum	1	1	n/a	n/a
£ 55,001 to £ 60,000 per annum	2	2	n/a	n/a
£ 60,001 to £ 65,000 per annum	2	2	-	-
£ 70,001 to £ 75,001 per annum	-	-	-	-
£ 75,001 to £ 80,000 per annum	-	-	-	1
£ 80,001 to £ 85,000 per annum	2	2	-	-
£110,001 to £ 115,000 per annum	1	1	-	-
	10	8		1

Key management personnel compensation is made up as follows:

	2022	2021
	£'000	£'000
Salaries	642	569
Benefits-in-kind	-	-
	642	569
Pension contributions	94	90
Total key management personnel compensation	736	659

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

The above compensation includes amounts payable to the Principal, who is the Accounting Officer and who was also the highest paid member of staff, of:

	2022	2021
	£'000	£'000
Salaries	112	112
Benefits-in-kind	-	-
	112	112
Pension contributions	27	27

The pension contributions for the Accounting Officer and three other key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme and for the other six (2021 - four) key management personnel are in respect of the College's Group Personal Pension Scheme. The employer contributions are paid at the same rate as for other employees and the pension entitlements accrue in the scheme on the same basis as for other employees.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

7 Emoluments of key management personnel Continued

The Governing Body adopted AoC's Senior Staff Remuneration Code in March 2019 and will assess pay in line with its principles in future.

The remuneration package of Key Management Personnel, including the Principal, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking and other appropriate information to help to provide objective guidance.

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

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

	2022 £'000	2021 £'000
Principal's basic salary as a multiple of the median of all staff	4.2	4.2
Principal's total remuneration as a multiple of the median of all staff	4.1	4.2

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

8 OTHER OPERATING EXPENSES

	2022 £'000	2021 £'000
Teaching costs	147	85
Non-teaching costs	616	499
Premises costs	579	500
	1,342	1,084
Included in the total of other operating expenses are:		
	2022 £'000	2021 £'000
Auditors' remuneration:		
Financial Statements and Regularity audit	27	22
Internal audit	6	16
Other services provided by the Financial Statements Auditor for Teachers' Pension audit	2	2
Hire of assets under operating leases	4	4

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

9 INTEREST AND OTHER FINANCE COSTS

	2022 £'000	2021 £'000
Interest payable on bank loans repayable wholly or partly in more than five years	37	43
	<u>37</u>	<u>43</u>

10 TAXATION

The College has charitable status for taxation purposes and the members of the Corporation consider that all the activities of the College during the current and preceding years fell within qualifying categories and no Corporation Tax arises. Accordingly, no provision for corporation tax is made in the accounts in either year.

11 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Building Improve- ments £'000	Computer Equipment £'000	Furniture Fixtures and Fittings £'000	Assets in Course of construction £'000	Total £'000
Cost or valuation						
At 1 August 2021	6,711	4,744	1,584	560	152	13,751
Additions	-	243	153	31	-	427
Transfers	-	152	-	-	(152)	-
Disposals	-	-	-	-	-	-
At 31 July 2021	<u>6,711</u>	<u>5,139</u>	<u>1,737</u>	<u>591</u>	<u>-</u>	<u>14,178</u>
Depreciation						
At 1 August 2021	1,802	1,079	1,282	494	-	4,657
Charge for the year	131	298	225	36	-	690
Disposals	-	-	-	-	-	-
At 31 July 2022	<u>1,933</u>	<u>1,377</u>	<u>1,507</u>	<u>530</u>	<u>-</u>	<u>5,347</u>
Net book value						
At 31 July 2022	<u>4,778</u>	<u>3,762</u>	<u>230</u>	<u>61</u>	<u>-</u>	<u>8,831</u>
At 31 July 2021	<u>4,909</u>	<u>3,665</u>	<u>302</u>	<u>66</u>	<u>152</u>	<u>9,094</u>

Assets in the course of construction at 31 July 2021 represented the cost of major upgrade works to the College's IT infrastructure at the balance sheet date; the works were completed in September 2021 and the cost transferred to building improvements at that date.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

12 LISTED INVESTMENTS

	Unrestricted Assets £'000	Restricted Assets £'000	Endowment Assets £'000	Total £'000
Market value of listed investments				
At 1 August 2021	154	3,329	2,316	5,799
Depreciation in value of investments	(72)	62	(8)	(18)
Total portfolio value at 31 July 2022	82	3,391	2,308	5,781
Cost of listed investments at 31 July 2022	97	2,099	1,460	3,656
Total net unrealised gains at 31 July 2022 included above	(15)	1,292	848	2,125
Analysis of total portfolio value				
Pooled investment vehicles				5,781

At 31 July 2022, listed investments included the following holding deemed material when compared with the overall portfolio valuation as at that date:

	Market value £'000	% of portfolio value
Newton Growth and Income Fund for charities	5,781	100%

13 INVESTMENT PROPERTY

	2022 £'000	2021 £'000
At 1 August 2021	1,650	1,560
Revaluation of investment property	75	90
At 31 July 2022	1,725	1,650

The College owns the freehold of the property immediately adjacent to the main college building in Crowndale Road. The building is not used for the delivery of education and is let out as residential accommodation on a commercial basis. The net revenue generated is applied to the charitable purposes of the College

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

14 TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade receivables	45	31
Prepayments and accrued income	154	141
Other debtors	234	8
	<u>433</u>	<u>180</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Bank loans (note 17)	96	91
Payments received in advance	121	114
Trade payables	205	325
Other taxation and social security	75	74
Accruals and deferred income	217	197
Deferred income - government capital grants	156	125
Amounts owed to funding bodies	212	272
Other creditors	67	87
	<u>1,149</u>	<u>1,285</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022 £'000	2021 £'000
Bank loans (note 17)	533	628
Deferred income - government capital grants	1,950	1,906
	<u>2,483</u>	<u>2,534</u>

17 MATURITY OF DEBT

	2022 £'000	2021 £'000
Bank loans are repayable as follows:		
In one year or less	96	91
Between one and two years	101	96
Between two and five years	338	320
In five years or more	94	212
	<u>629</u>	<u>719</u>

The College took out an unsecured loan in 2007 to support phase 1 of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.485% and repayable by equal quarterly instalments from 3 December 2007 to 1 December 2027.

A second unsecured loan was taken out in 2011 to support the second phase of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.73% and repayable by equal quarterly instalments from 14 November 2011 to 14 August 2028.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

18 ENDOWMENTS

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2021	305	2,011	2,316
Appreciation of endowment asset investments	(1)	(7)	(8)
At 31 July 2022	304	2,004	2,308
Representing:			
Prize funds	101	-	101
Library funds	158	-	158
Other funds	45	2,004	2,049
	304	2,004	2,308
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2020	256	1,686	1,942
Appreciation of endowment asset investments	49	325	374
At 31 July 2021	305	2,011	2,316
Representing:			
Prize funds	101	-	101
Library funds	159	-	159
Other funds	45	2,011	2,065
	305	2,011	2,316

19 DEFINED BENEFIT OBLIGATIONS

Most of the College's employees are members of one of the two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a multi-employer defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No defined benefit pension liability arises as a result of contributions to the Group Personal Pension Scheme.

The TPS pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 but the outcome is not yet published.

The total pension cost for the year was:

	2022 £'000	2021 £'000
Teachers' pension scheme - contributions paid	438	415
Group personal pension scheme - contributions paid	65	63
Total pension cost for the year within staff costs (note 6)	503	478

Contributions amounting to £ 56,000 (2021 - £ 56,000) for the TPS and £ 6,000 (2021 - £ 6,000) for the group personal pension scheme were payable to the scheme at 31 July and are included in creditors. The liabilities were paid to the relevant schemes in the new financial year.

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

19 Defined Benefit Obligations continued

Teachers' Pension Scheme

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated costs of future benefits) for service to the effective date of £218 billion and notional assets (estimated future contributions together with the notional investments held at valuation date) of £198 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards compared to 16.48% during 2018/19. The DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020/21 academic year and up to July 2022

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

The pension costs paid to TPS in the year amounted to £438,000 (2021: £415,000).

20 FINANCIAL COMMITMENTS

	2022 £'000	2021 £'000
Capital commitments		
Contracted for but not provided at 31 July	-	214
Authorised but not yet contracted for at 31 July	-	-

WORKING MEN'S COLLEGE CORPORATION

Notes to the Accounts for the year ended 31st July 2022

21 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which would have a material impact on the financial statements and require either adjustment or disclosure.

22 RELATED PARTY TRANSACTIONS

Due to the nature of the College's operations and the composition of the Corporation, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified during the year which should be disclosed.

The total expenses paid to or on behalf of the Corporation members during the year were £125 in relation to one governor (2020 - £nil). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or Governor training events.

No Governor has received any remuneration or waived payments from the College during the current or previous year.

23 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The College has purchased directors' and officers' liability insurance. The insurance premium paid by the College for the year ended 31 July 2022 was £5,813 (2021 - £3,492) and provides cover of up to a maximum of £2 million for all claims during a year.

24 MEMBERS' LIABILITY

Every member of the Corporation undertakes to contribute to the assets of the College in the event of it being wound up while he/she is a member such amount as may be required, but not exceeding five pence.

25 AMOUNTS DISBURSED AS AGENT

	2022 £'000	2021 £'000
Unspent balance at 1 August	53	48
Repaid to EFSA in year	(8)	-
Loans bursary fund	18	12
	63	60
Disbursed to Students	(1)	-
Area uplift re Adult Learning Loans	(1)	(7)
	(2)	(7)
Balance unspent at 31 July included in creditors	61	53

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

WORKING MEN'S COLLEGE CORPORATION

England & Wales - Charity number 312803

Accounts



WORKING MEN'S COLLEGE CORPORATION

A company limited by guarantee and not having a share capital

Report and Financial Statements

for the year ended 31 July 2021

Company registration number: **8894**

Charity registration number: **312803**

WORKING MEN'S COLLEGE CORPORATION

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WORKING MEN'S COLLEGE CORPORATION

KEY MANAGEMENT PERSONNEL AND PROFESSIONAL ADVISORS

for the year ended 31 July 2021

Professional Advisors

Financial Statements & Regularity Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Internal Auditors

Scrutton Bland
Fitzroy House
Crown Street
Ipswich, Suffolk IP1 3LG

Bankers:

Lloyds Bank
Education Mid Markets
4th Floor, 25 Gresham Street
London EC2V 7HN

Investment Managers:

BNY Mellon Limited
Mellon Financial Centre
160 Queen Victoria Street
London EC4V 4LA

Loan Finance:

Lloyds Bank
Education Mid Markets
4th Floor, 25 Gresham Street
London EC2V 7HN

Loan Finance:

Barclays Bank
Education Team
Level 27, 1 Churchill Place
London E14 5HP

Key Management Personnel

Key management personnel are defined as members of the College's Executive Management Group. For 2020/21 the members were:

Helen Hammond - Principal and CEO, Accounting Officer
Maria Rosenthal - Deputy Principal
Martin Jones - Vice Principal
Diana Teesdale - Director of Learning
Lisa Marklew - Director of Learning
Caroline Poole - Director of Learner Services
Claudia Forbes - Head of MIS
Julie Paterson - HR Manager

Board of Governors

A full list of Governors is given on page 20 of the financial statements.

The position of Clerk to the Corporation was held by Bill Barker (0.5 f.t.e. appointment)

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT

for the year ended 31 July 2021

The Board of Governors, who are directors for the purposes of the Companies Act and trustees for the purposes of the Charities Act, hereinafter referred to as the Corporation, present their annual report and the audited financial statements of the Working Men's College Corporation ("the College" or "WM College") for the year ended 31 July 2021.

NATURE, OBJECTIVES AND STRATEGIES

Legal Status

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI), now known as an Institute of Adult Learning (IAL), under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and it is a registered charity. The College is subject to the legal framework governing the Further Education sector, including the rules set from time to time by the Government departments and agencies with responsibility for the sector. During 2020/21 these were the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA) together with the Greater London Authority (GLA) who provided funding to the College from 1 August 2019 under devolved funding arrangements. The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by Funding Agreements with the EFSA and the GLA. In addition, the College, as a charitable company limited by guarantee, is governed by the charitable company's memorandum and articles of association.

The College also meets the definition of a charitable company for UK corporation tax purposes as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains covered by the relevant legislation, provided that they are applied to exclusively charitable purposes.

Mission

The Corporation keeps the mission statement and strategic objectives under regular review. The mission statement was updated in 2015/16 and reviewed in 2019/20 without further amendment. The current mission statement adopted is:

"To provide diverse, enriching and enjoyable lifelong learning including skills for work, in a supportive environment for adults in Camden and the local area."

Strategic Plan

College Governors and managers developed a new 3-year strategic plan during 2018/19 which was approved by the Corporation in July 2019. The plan covers the period from 2019 to 2022 and the strategic objectives adopted are set out below:

Excellence for all. We will

- Provide an enriching learning experience that raises aspirations, celebrates success and promotes inclusion and diversity.
- Ensure all learners are supported and inspired to meet and exceed their individual aims and objectives and progress towards long term goals.
- Enable learning that leads to improved physical and mental health and social and emotional well-being as well as improved employment prospects.
- Support learners to become expert learners through teaching and learning that takes place beyond the classroom and develops their digital skills.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

Effective and sustainable. We will

- Optimise learning opportunities by deploying the College's physical, human and virtual resources to provide greater efficiency for the College.
- Provide IT infrastructure and learning materials to facilitate and enhance both classroom and digital learning experiences.
- Develop systems, processes and resources to eliminate unnecessary bureaucracy and provide online access to core information on a timely basis.
- Identify relevant new funding and commercial income opportunities, pursuing those that will support sustainable new activities or expand existing provision.

Working Together. We will

- Work in partnership with the GLA and London IALs for the benefit of all adult learners.
- Take learning into the local community to ensure that there are no barriers to access learning opportunities.
- Develop partnerships with other providers to provide opportunities for learning that complement or extend WMC studies.

Public Benefit

The College is a registered charity and following the machinery of Government changes in July 2016, is regulated by the Secretary of State for Education as Principal Regulator for all Further Education Corporations in England. The Governors of the Corporation, who are trustees of the charity, are disclosed on page 20.

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

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

- High quality teaching and learning;
- Widening participation and tackling social exclusion;
- Excellent employment record for students;
- Strong student support systems;
- Links with employers in industry and commerce; and
- Links with Local Enterprise Partnerships.

Further information and examples of the delivery of public benefit are covered throughout the remainder of the Members' Report including the Strategic Report.

General Financial Objectives

The College's general financial objectives were revised in 2017 and reviewed regularly, but not changed, since then. The existing objectives approved by Governors in June 2017 are to maintain:

- Cash days of not less than 40 nor greater than 65
- An adjusted current ratio in the range of 2.0:1 – 2.5:1
- Earnings Before Interest Taxation Depreciation and Amortisation (EBITDA), using ESFA education specific definition, of between 4% and 6% of income
- Borrowing as a percentage of non-endowment reserves of less than 15%
- Staff costs (excluding restructuring costs) between 64% and 68% of income.
- Financial health of "Good" with a score of at least 200 points

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

In 2020/21, largely as a consequence of the impact of Covid-19, only 3 of the 6 financial objectives were met:

<u>Objective</u>	<u>2020/21</u>	<u>Met</u>
Cash days of not less than 40 nor greater than 65	54	Met
An adjusted current ratio in the range of 2.0:1 – 2.5:1	0.97	Not Met
EBITDA, using ESFA education specific definition, of between 4% and 6% of income	4.1%	Met
Borrowing as a %age of non-endowment reserves of less than 15%	6.3%	Met
Staff costs (excluding restructuring costs) between 64% and 68% of income	70%	Not Met
Financial health of "Good" with a score of at least 200 points	Requires Improvement	Not Met

As explained in more detail in the financial review section below, the College experienced a second year of shortfalls in fee income and investment income, due to the national lockdown and economic impact on businesses resulting from the Covid-19 pandemic. Consequently, the EBITDA was lower and staff costs were a higher proportion of income than usual. The financial health is a function of achievement of the other objectives so remained at "requires improvement" for a second year. Governors and managers have carefully interrogated the information and remain confident that the underlying position and performance of the College remains robust and fully expect to return to meeting the objectives once operations return to a more normal status post-pandemic. If the budget for 2021/22 is met, the College should return to "Good" financial health in summer 2022.

Investment Fund Objectives

The College's investment fund financial objectives were revised in February 2014 and are as follows:

- To review fund management objectives at regular intervals and in response to changing market conditions.
- To achieve a balance between income and capital growth.
- To achieve a total return of "inflation plus 4%".
- To seek to invest the funds in the following proportions:
 - All in Newton's Global Growth and Income Fund for Charities (GGIFC).

At 31 July 2021, the proportions of investments by type were as follows:

- 100% in the Newton Global Growth and Income Fund for Charities.

At 1 August 2020 the investment portfolio was valued at £4.862 million. The investment income received during the year was £114,000 which equates to 2.3% of the opening valuation. The portfolio value increased to £5.799 million by 31 July 2021 representing an annual growth of 19.3% and recovering the significant decline of 2019/20. These performances exceed the total return objective set and reflect the global market movements following "Brexit" and during the coronavirus pandemic.

Accommodation Strategy

In November 2020 the College achieved practical completion on the major capital project to replace the entire College heating system and to install a mixed mode ventilation system in the Victorian, grade II listed building in Crowndale Road. The heating system uses efficient modern boilers to reduce the College's use of fossil fuels, whilst the ventilation scheme design utilises features of the existing structure of the Victorian building and is sympathetic to its grade II listed features and also adopts an environmentally sustainable approach. The system utilises reflective window blinds and secondary double glazing to reduce initial solar gain, the thermal mass of the walls and night cooling to help keep the room air temperatures from rising and natural air circulation routes to avoid the need for any

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT

for the year ended 31 July 2021

mechanical cooling of air. This has been particularly beneficial in enabling good ventilation to be maintained in line with guidance on mitigating the spread of Covid-19.

The College carried out a major refurbishment of two levels of the Crowndale Road site resulting in a significant improvement to the teaching and learning environment. The works were funded in part by Government capital grant.

PERFORMANCE INDICATORS

Ofsted Inspection

Working Men's College's most recent inspection took place in November 2018 and the Corporation and staff were very pleased with the report from Ofsted which graded the College as "Good" in every assessed area.

The College's grades awarded by Ofsted were:

Overall Effectiveness	Good
Effectiveness of Leadership and Management	Good
Adult Learning Programmes	Good
Quality of Teaching, Learning and Assessment	Good
Personal Development, Behaviour and Welfare	Good
Outcome for Learners	Good

Grant Funding

The College's performance against the Education and Skills Funding Agency's (ESFA) revenue and learner number targets in 2020/21 is set out below:

Funding for Adults

Funding Category		Target (allocation) (GLA/ESFA contracts)	Actual Outturn (Final Claim)	Performance (%)
Adult (19+) Learner-Responsive Funding	Adult Education Budget (AEB)	£4,333,000	£4,055,000	93.6 %

Under ESFA funding rules, the College can expect to receive the lower of the final actual outturn or the funding allocation, subject to a "reconciliation threshold". For 2020/21, the ESFA confirmed that due to the impact of the pandemic on College activities, the threshold would be set at 90%, meaning the College is not subject to reconciliation and clawback of funding for 2020/21 and the College accounts recognise the full funding allocation as income in the year.

Funding for 16-19 Year Olds

Funding Category		Target (allocation) (ESFA contract)	Actual outturn (Final Claim)	Performance (%)
16-18 Learner-Responsive Funding	Learner Numbers	40	30	75%
	Funding Value	£187,083	£ 143,524	77%

Under the ESFA lagged funding rules, the College will receive the target funding value for the year and any over or under performance will be taken into account in funding allocations for future years.

The College considers the overall performance against funding to be satisfactory given the scale of disruption to delivery caused by Covid-19.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT

for the year ended 31 July 2021

Other Income

The table below shows the proportion of the College's income received in the form of direct funding body grants for the last five years:

Year	Direct Grants £'000	Total Income £'000	%
2016/17	4,585	5,767	79%
2017/18	4,679	5,883	81%
2018/19	4,678	5,789	80%
2019/20	4,765	5,373	89%
2020/21	4,977	5,634	88%

The proportion of College income derived from direct grant funding has remained in a narrow range between 78% and 81% during the period from 2018/19. The proportion increased markedly in 2019/20 and 2020/21 as a consequence of the Covid-19 pandemic because funding income was largely preserved, but fees and other non-funding income fell significantly. Nevertheless, the College remains committed to reducing its dependence on direct funding body grants where possible.

Learner tuition fees decreased again year on year from £424,000 in 2019/20 to £348,000 in the current year reflecting the full year impact of the coronavirus pandemic including a "lockdown" from January to March 2021 preventing the College from running courses that required studio resources in the College buildings. The amounts received by the College through adult learning loans, for learners aged 19 or over who are studying at level 3 or higher, are included within fee income. These have generally not proved popular with learners and contributed only £38,000 of fee income in 2020/21 (2019/20 - £62,000).

The College keeps the level of fees under constant and careful review in order to optimise income while ensuring that adult education remains accessible to as many people as possible.

Learner Numbers

In 2020/21 there were 2,502 unique learners of which 1,833 were female and 669 male and 6,443 enrolments in the College, mostly on part time courses ranging from one 2 hour session to a full 3 days per week and including the learners enrolled on courses in the community. Overall learner numbers decreased by 670 and enrolments by 10 in the accredited provision and by 772 on non-accredited courses. This was due to a combination of the impact of Covid-19 and changes to the course structure.

Learner Performance

Compared to 2019-20, the College made a remarkable recovery in bringing achievement rates back to pre-Covid levels despite a complete lockdown in term 2 of 2020/21. On accredited courses retention was 4% above the previous two years at 94% (1% above college target) and pass rates were 8% above 2019/20 and only 5% below 2018/19, compared to 14% down in the previous year. Overall achievement was only 1% below 2018/19 at 85% compared to 74% in 2019/20. Non-accredited courses were strong with achievement slightly above 2018/19 at 92%. Although overall achievement across the College did not hit College targets, they were set at the same level as 2018/19 as the uncertainty of the pandemic made it impossible to predict with any certainty; therefore they were less meaningful.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

The table below shows student overall achievement for all College courses, as reported in the College self-assessment report.

Accredited Learners (746 learners with 1,353 enrolments)

Year	Retention	Pass rate	Overall Achievement	Attendance
2019/20 Actual	91 %	82 %	74 %	88 %
2020/21 Target	92 %	90 %	83 %	88 %
2020/21 Actual	94 %	91 %	85 %	90 %
Percentage point change 2020/21 over 2019/20	+3	+9	+11	+2

Non-Accredited Learners (2,288 learners with 5,090 enrolments)

Year	Retention	Pass rate	Overall Achievement	Attendance
2019/20 Actual	91 %	99 %	89 %	90 %
2020/21 Target	95 %	99 %	94 %	90 %
2020/21 Actual	94 %	99 %	92 %	89 %
Percentage point change 2019/20 over 2018/19	+3	No change	+3	-1

Other External Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as overall achievement rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The Finance Record produces a financial health grading. Under the ESFA's new methodology for calculating the grade, the College achieves a "Requires Improvement" rating for 2020/21 and "Good" for the 2021/22 budget. This is a consequence of the reduced EBITDA in 2020/21 resulting from the impact of Covid-19 on the income and operating performance and the associated impact on cash holdings and the current ratio. Up until July 2019, the College held an "Outstanding" financial health grade and Governors are confident that the financial strategy and plans will return the College to a "Good" rating by July 2022.

In summer 2018, Working Men's College became the first college in London and the first adult college nationally to be awarded chartered membership of the Chartered Institution for Further Education. The College's Principal was recognised with fellowship of the Institution in summer 2019.

STRATEGIC REPORT

FINANCIAL POSITION

Financial Results

Although the College reported a second year of operating deficit at £94,000 for the year to 31 July 2021 (2020 – deficit of £47,000), this is considered to be a satisfactory result in light of the disruption caused by Covid-19 and the resulting loss of fee income and other non-grant funded income and is better than the budget approved by Corporation for the year. The College "furloughed" some staff during the national lockdown between January and April 2021 and, where they qualified, claims were made to the Government's Coronavirus Job Retention Scheme which helped mitigate the deficit.

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The capital project to replace the entire heating system in the College building at Crowndale Road and introduce a mixed mode ventilation system reached practical completion during the year with £3.02m of work in progress transferred to building improvements in fixed assets with an expected useful life of 25 years adopted for depreciation purposes. The College purchased £849,000 of other new tangible fixed asset additions during the year, of which £266,000 was computer equipment and £455,000 related to other building improvements, furniture, fixtures and fittings with £128,000 being work in progress relating to upgrading of the College's IT infrastructure undertaken across spring and summer 2021. At the end of the year, the College owned tangible fixed assets with a net book value of £9.094 million of which £8.574 million related to buildings and building improvements, £368,000 related to computer and other equipment, fixtures and fittings and £128,000 to the IT infrastructure upgrade in progress at the year end.

Investments

The College's performance on its endowment investment portfolio is set out in note 12 to the accounts. The portfolio generated an income return of £114,000 during the year and increased in value by £937,000. The portfolio had a market value of £5.799 million at the balance sheet date (2020 - £4.862 million).

Total comprehensive income in 2020/21, stated after investment gains, was a surplus of £933,000 (2019/20 - deficit of £645,000)

Reserves

The College has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation and strives to ensure that there are adequate reserves to support the College's core activities.

As at 31 July 2020, general income and expenditure funds totalled £8.068 million compared to the 2020 total of £8.101 million. The College also held restricted funds and endowments totalling £5.644 million (2020: £4.680 million). These funds have been given to the College for particular purposes specified by donors and therefore are not available to the Corporation for general use although some of the endowments are classified as expendable.

It is the intention of the Corporation to maintain a balance in the level of reserves between providing adequate levels of contingency and investing in projects that will develop the College and support delivery of the strategic plan. The Corporation is formulating a medium term strategic financial plan to replenish the reserves utilised in 2019/20 and 2020/21 during the coronavirus pandemic.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial Plan

The College Governors approved a financial plan in July 2021 which sets objectives for the period to July 2022 and demonstrates financially how the College can expect to deliver its strategic plan and objectives. Because of the continuing impact of Covid-19 and related uncertainties about how it will affect College operations during that period, the plan has more elements of estimation and risk outside the College's control than in other years. The plan has an operating surplus of £94,000 and the Governors evaluated the plan carefully and consider that the underlying business remains strong and expect to maintain annual budgets that are in surplus after the pandemic is over. Additionally, it was noted that the cashflow associated with the budget was cash generative and so helps improve the College's cash reserves and current ratio which is currently significantly below the financial objective target.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

Treasury Policies and Objectives

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

Cash Flows and Liquidity

There was a net cash inflow for the year of £50,000 (2020: outflow of £1,534,000). In 2019/20, this is a consequence of the expenditure on the new heating and ventilation project, funded from accumulated surpluses of previous years. The underlying position from net operating activities was a cash inflow of £915,000 (2020: £152,000).

Long Term Loans

The College has two existing long term loans at fixed rates of interest: one with Lloyds Banking Group for £1,000,000, drawn down in July 2007 and the other with Barclays for £500,000, drawn down in July 2008. Both loans were taken out to support the major capital building improvement works programmes at the College's Crowndale Road site. At 31 July 2021 the total loan principal outstanding was £719,000 (2020: £805,000), of which £449,000 is owed to Lloyds and £270,000 to Barclays. The College has not breached any of the loan covenants on either loan and does not foresee a risk of that happening within the current planning horizon.

The College keeps the loans under review and whether they should be paid down early in full or in part. Currently the Governors consider that the financial penalty for early payment of a fixed term loan does not represent value for money.

Student Overall Achievements

Overall achievement rates for the year were 92% for non-accredited learners (2020 – 89%) and 85% for those on accredited courses (2020 – 74%). Overall retention and pass rates on non-accredited courses were maintained through term 2 where courses continued successfully online, resulting in overall achievement being 3 percentage points higher than the previous year. For accredited provision both retention and pass rates recovered from their falls in 2019/20.

A "confidence gains" survey was introduced in 2018/19 in ESOL, English and maths, and then Community classes in 2019. Learners were asked whether their course had increased their confidence in a range of activities and situations that they encounter in their daily lives, such as talking to healthcare professionals, the Council, the JobCentre Plus, their landlord, neighbours, staff at their children's school, or when shopping, at work, engaging in job search, managing their personal budget, time management, using transport etc.

In the Confidence Gains survey 86% of English learners and 79% of maths learners say that their course has made them more confident with looking for a job. In the separate QDP run learner survey, 87% agree that they are developing the skills needed to get a job or take the next step.

The College's annual Celebration of Success night again had to take place virtually via YouTube because of Covid-19 restrictions. Nevertheless, many students passionately shared moving stories of how the College has changed their lives, for example giving them the language skills that enable them to communicate outside their family and participate in their community, as well as enabling them to gain employment.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

Curriculum Developments

Curriculum teams continued to review and amend the course offer for 2020/21, ensuring it would be more robust with increased progression routes and a greater emphasis on qualification achievement and employment outcomes for learners. Whilst retaining the essential ethos of the College, the ongoing drive to develop opportunities for formal accreditation alongside the well-established, non-accredited provision has continued, with a further increase in external accreditation in the vocational curriculum and arts, and a review of the qualifications offered, the establishment of AAT accountancy qualification courses being an example. This has been well received by learners, evidenced in enrolment numbers and what was predicted to be excellent achievement had it not been for the pandemic. The increasing need to be highly responsive to emerging unemployment and the need for retraining and refocussing on new skills and readiness for work, has been a focus for the College over the summer and will be developed in 2021/22.

The Learning Centre opened in February 2020 but initially had limited use due to lockdown closures and required social distancing when it first re-opened. During 2020/21 it has grown in popularity among learners. Along with the Library, it forms the hub for learning and study outside the classroom. It is also used for digital learning support where drop-in support is available from expert digital learning staff. This facility has a pivotal role in underpinning learning during the pandemic as learners with limited computer access at home can use the Learning Centre for study and also to attend online lessons. Support for job search, the National Careers Service and employability skills coaching is based in the Learning Centre and Library.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 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%. During the accounting period 1 August 2020 to 31 July 2021, the College considers that it achieved this target for invoices where there were no disputed costs. The College incurred £830 in interest charges and late payment fees to 3 suppliers (2020: £71 from one supplier) in respect of late payments.

Restructuring

The College continued to keep its staff structure under review to ensure it remains fit for purpose, affordable and able to provide the best possible service to learners. However, no formal restructures were initiated during 2020/21 and the College incurred no contractual or non-contractual restructuring costs (2020 £36k contractual and £7k non-contractual).

Future Developments

The College will continue to adapt and respond to the Covid-19 pandemic, making necessary adjustments to enable as much learning as possible to continue both online and face-to-face as appropriate and as government guidance dictates. Online learning will continue to be a feature of the College delivery model into the future and additional resources and materials which support this approach will be developed. An overall digital strategy action plan is being implemented following the launch of the new Learning Centre and appointment of a Digital Learning Assistant.

The changes to Government guidance from July 2021 enabled some Covid-19 operating restrictions to be lifted for the start of the 2021/22 year, including the temporarily reduced class sizes. The College considers it is well placed to return to the normal higher levels of activity and income if restrictions are not reintroduced.

The College is planning curriculum responses for the post-pandemic world, developing a stronger and expanded employability provision to support those finding themselves unemployed or needing to change career or the sector in which they work. This includes working with community partners and external agencies and using the GLA's London Covid Recovery Delivery funding.

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Other planned curriculum developments include increasing level 2 provision and subsequently level 3. An expanded humanities offer and a suite of health and wellbeing courses are being introduced to meet the needs of local residents and in line with priorities set out in the Mayor's Skills for Londoners strategy.

The College will continue to refine its approach to charging fees on Community Learning funded courses to ensure that the College courses are accessible to all who need them and finance is not a barrier to learning, whilst also respecting and following the spirit of the funding guidance on charging participants.

The London Institutes of Adult Learning continue to develop closer working links and collaborations.

RESOURCES

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

Tangible resources include the main site at Crowndale Road with a book value of £8.574 million, principally related to building works completed in 2008 and 2012 in Phases 1 and 2 of the Accommodation Strategy and the recently completed heating and ventilation programme. There is a second centre in Kentish Town which is owned by the London Borough of Camden and used by the College on a tenancy-at-will basis.

Financial resources include investments and endowments totalling £5.799 million at the balance sheet date plus short term deposits and cash holdings of £810,000, offset in part by long term debt of £719,000. The budget and cash flow forecasts for 2021/22 and beyond demonstrate that the College will continue to have sufficient resources available to it to meet obligations as they fall due and maintain operations.

Human resources comprise a staff base of 98 full-time equivalents, of whom 54 are teaching staff, with a headcount of 179 (122 teaching) as the College makes extensive use of subject specialists, many of whom teach part time at the College whilst also working in their specialist industry.

The College has a strong reputation locally, based on the quality of services, the breadth of community involvement and the continuing interest in long and distinguished history, as well as the benefit of an Ofsted "good" rating.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has developed strategies for managing risk and has embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation and enable it to respond in a timely and proportionate manner to changing circumstances including those arising from the Covid-19 pandemic.

Based on the strategic plan and annual improvement plans, the Executive Management Group (EMG) undertakes a regular review of the risks to which the College is exposed. The members identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are implemented and internal audit work and other monitoring throughout the year helps appraise their effectiveness and progress against risk mitigation actions. The EMG also considers the impact of the latest government guidance and rules relating to Covid-19 as well as any risks which may arise as a result of new or changed areas of work being undertaken by the College.

A risk register is maintained at College level which is formally reviewed at meetings of the EMG. The risks are assigned to the most relevant committee of Corporation and reviewed at termly meetings of those committees and then annually by the full Board. The risk register identifies the key risks, systems and procedures to control them, the likelihood of those risks occurring, their potential impact on the

WORKING MEN'S COLLEGE CORPORATION

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for the year ended 31 July 2021

College and the actions being taken to reduce and mitigate the risks. The risk description and mitigating control measures for each risk include an explicit evaluation of the Covid-19 impact. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the Executive Management Group during 2020/21. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies. In 2020/21, 88% of the College's income was ultimately publicly funded (2019/20 – 89%) although this level should reduce again from 2021/22 as fee income rises again post-pandemic and opportunities to generate income from other sources return. The College maintains an objective of reducing dependence on state funding, but recognises that it will remain the dominant source. The government funding has helped maintain financial stability during 2019/20 and 2020/21 and provided some protection from the wider economic volatility from external factors. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, especially following devolution of funding to the Greater London Authority (GLA) from August 2019.

The College is aware of several issues which may impact on future funding and associated income:

- The implementation of the announcements in the Chancellor's comprehensive spending reviews and the expected Further Education and Skills Bill and how these will be reflected in individual College funding allocations;
- Changes to priorities, allocations and methodologies following devolution of funding to the Greater London Authority;
- The availability of funding grants targeted directly at activities that respond to, and support recovery from, the Covid-19 crisis; and
- The extent to which learners are willing to take up "advanced learning loans" particularly following extension of the scheme to learners aged 19 plus from September 2016.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training;
- Considerable focus and investment of time is placed on maintaining and managing key relationships with funding bodies and sector organisations, including the new GLA staff, so that they understand the circumstances, challenges and potential of the College;
- Increasing links with employers to ensure that provision remains relevant to work and skills needs;
- Promoting examples of how successful learners progress into the labour market; and
- Collaborating with other Institutes of Adult Learning as appropriate.

2. Tuition Fee Policy

Government ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, WM College will seek to increase fees in accordance with the fee assumptions and also develop a range of studio and short full cost courses. However, the College values strongly the principle of access to learning being available to everyone, regardless of financial circumstances. It seeks to hold these two objectives in balance. The risk for the College is that demand falls off as fees increase and this will impact on the growth strategy of the College. The restriction on the number of learners in workshops and classrooms as part of the Covid-safe measures and the risk of further lockdowns present a high risk to the achievement of tuition fee budgets.

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The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering high quality education and training and thereby demonstrating value for money for students;
- Close monitoring of demand for courses as prices change and responding swiftly and appropriately;
- Market research to establish demand, willingness to pay and price elasticity;
- Marketing incentives and campaigns to encourage and incentivise enrolments;
- Flexible fee payment opportunities and methods including instalment plans;

3. Competition from other providers

With the reductions in funding and implementation of the Area Review structural changes, competition from other providers is expected to become more intense.

Mitigation actions include:

- Promoting the College's niche position in terms of size, reputation and curriculum offer as an Institute of Adult Learning;
- Innovation and development within the College's core curriculum to tap new markets;

4. Adverse impact on financial viability from disproportionately large ESOL provision.

ESOL provision is the most vulnerable, with threats to its delivery models and funding rates. However, the demand and need for this provision amongst the local communities that the College serves remains high.

Mitigation actions include:

- Monitoring government and funding agency information and announcements closely to get early warning of any proposed changes and plan accordingly;
- A clear fees policy for ESOL provision to establish an appropriate balance of dependency between funding and fee income;

5. Severe adverse publicity

The College is well known in the local community and recruits the vast majority of its learners from the communities around the College. Any adverse publicity could therefore impact on recruitment.

As part of risk mitigation, the College has reviewed its marketing approach and arrangements and makes use of external expertise to bring fresh ideas, new campaigns and an appropriate balance between traditional marketing and social media to promote the College. New College branding was introduced in summer 2020 that reflects the image and values of the College and represents it appropriately to the community and target markets.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

STAKEHOLDER RELATIONSHIPS

In line with other colleges and educational institutions, the Working Men's College has many stakeholders and an extensive range of relationships with local people and groups. These include

- the College's own students and staff;
- funding bodies, especially the Education and Skills Funding Agency and the Greater London Authority;
- the London Borough of Camden;
- a range of local employers;
- Local Enterprise Partnerships (LEPs);
- local community groups, including the Somers Town Big Local for whom the College acts as the "Local Trusted Organisation (LTO)";
- the other Institutes of Adult Learning (IALs), especially the four based in London;
- local FE colleges;
- the FE Commissioner; and
- trade unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a range of media and methods.

Community Responsiveness and Employer Engagement

The College has been implementing a successful community engagement strategy for many years; it has established provision at 28 local outreach venues and built a number of proactive partnerships and close working relationships with the voluntary and community sector in central Camden. The community provision continues to take provision to students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. These working relationships help identify and target disadvantaged learners in Camden. Further information on these aspects of the College's work can be found in the Self Assessment Report available via the College website or on application to the Clerk to the Corporation.

The focus for the College's work is on ensuring local people have the opportunity to gain local employment and to this end notable targets have been the public sector, in particular Camden Council and health and care organisations, the King's Cross redevelopment, Crossrail and HS2 and projects coming from the voluntary and community sectors. The College also works with a wide range of voluntary and other organisations which provide specialist support to students to build self-confidence and facilitate progression to work related training and employment.

Educational Links

The College has a wide variety of strategic links with other educational institutions.

The Greater London Authority (GLA) became the College's principal funder for adult education from August 2019 whilst the Education and Skills Funding Agency (ESFA) remains the funder for all 16-19 activity and for adult funding for learners living outside the London boroughs controlled by the GLA.

The group of four London IALs – the Working Men's College, the Mary Ward Centre, City Lit and Morley College, more recently joined by Richmond and Hilcroft Adult Community College – have a very long standing partnership which is used in a variety of constructive ways to address national, regional and local priorities. Closer working and a new common identity as the London Adult Learning Institutions has enabled some joint initiatives to be developed effectively.

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for the year ended 31 July 2021

There are ongoing partnerships with the Institute of Education and the University of Greenwich through which placements are provided at the College for trainee teachers supported by strong mentoring relationships with established and experienced teachers although these did not operate during 2020/21 due to the coronavirus pandemic preventing effective and safe placements.

Staff and Student Involvement

The College considers good communication with staff and students to be vital. The Corporation includes two staff members and two student members and the Curriculum Quality and Standards Committee includes all academic managers. Staff and student bulletins and newsletters were produced during the year and a regular Principal's Update issued to all staff to increase communication during the Covid-19 pandemic. The College Intranet is also used to facilitate communication with staff.

The Principal usually hosts Learner Forums across both College sites to enable learners to meet senior management, to provide comments and feedback on all aspects of their College experience and to provide learner views on possible new College initiatives, although these had to be suspended during the pandemic.

Senior College managers met with union representatives when preparing the plan and risk assessment for re-opening the College buildings after lockdown in summer 2020 and all staff had a face-to-face induction on their first day back in the College.

Most of the working parties and development groups within the College include staff and student representation. Sometimes it is difficult to secure the level of staff and student participation that is desirable because of the high proportion of teaching staff and students who are part-time. The Health and Safety Consultative Committee was re-established during the year, following the appointment by the recognised teaching union of a health and safety representative.

Equality

The College is committed to promoting equality of opportunity in all aspects of its operations for all who learn or work at the College. It recognises its legal responsibilities, respects and values all differences and individual choices and takes all reasonable steps to ensure there is no discrimination against any student, member of staff or the public, on the grounds of race, gender, sexual orientation, disability, religion or belief and age. Monitoring systems have been introduced and performance targets identified. The College's Equality Policy is published on its website and it produces an annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

Employment of Disabled Persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those of non-disabled employees.

Disability Statement

A key purpose of the College is to be a learner-centred college dedicated to providing opportunities for lifelong learning for the diverse range of London adults who may not be able to study full time, particularly those who have missed out on their initial education.

As part of its commitment to inclusive education and equality of opportunity the College welcomes students with learning difficulties and disabilities. The College endeavours to be flexible and match the learning support to each student's individual needs and achieve the objectives set down in the Equality Act 2010.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

The College employs a full-time Disability Officer to promote awareness and implementation of this statement and supporting policies.

The aims of the College include:

- identifying and responding to individual student needs, to improve continually students' learning experience;
- ensuring all students achieve their full potential through the provision of a high quality student centred learning environment;
- actively promoting equality of opportunity for all students;
- ensuring appropriate steps are taken to guarantee that a disabled learner is not placed at a substantial disadvantage in comparison with a learner who is not disabled.

A range of courses for learners with learning difficulties or disabilities has been introduced to provide learning in smaller groups and at a pace that increases these learners' ability to achieve their learning aims and progress to further study or employment.

Safeguarding and Prevent

The College fully recognises its responsibility to promote safe practice and to protect and safeguard the welfare of everyone working and studying there. Governors and managers believe that learning takes place most effectively within a culture in which all individuals trust the College to keep them safe from harm while there and give them information, advice and help to keep themselves safe from harm at other times. There are clear processes and procedures in place should anyone have a concern and the College works with a number of external agencies to support learners to remain in learning, including the FE Prevent coordinators.

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. The following information relates to the period from 1 April 2019 to 31 March 2020 as required by the Regulations and is also made available on the College's website.

Number of employees who were relevant union officials during the relevant period		1
Full time equivalent employee number		1
	Percentage	No. of employees
Percentage of time spent on facility time	1 – 50%	1
Percentage of pay bill spent on facility time		
Total cost of facility time		£350
Total pay bill		£3,909,000
Percentage of total pay bill spent on facility time		0.01%
Paid trade union activities		
Time spent on paid trade union activities as a percentage of total paid facility hours		0%

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2021

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no post-balance sheet events to report.

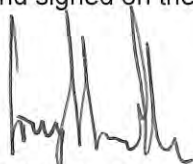
GOING CONCERN

After making appropriate enquiries, including giving careful consideration to the current and potential further impact of Covid-19 on the College's operations and finances, the members of the Corporation consider that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The Governors 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 Governor 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.

The members' report including the strategic report was approved by the members of the Corporation and signed on their behalf on 15 December 2021 by:



Guy Shackle
Chair

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the AoC Code. The College has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, it has reported on Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code considered to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the AoC Code and it has complied throughout the year ended 31 July 2021. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 15 July 2015.

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

Governors of the Corporation

The Governors who served on the Corporation during the year ended 31 July 2021 and up to the date of signature of this report are listed on the following page.

Key to committees:

A Audit	E Estates Strategy Group
S Search	R Remuneration
F Finance, Personnel & Development	Q Curriculum, Quality and Standards
	(Ch) Committee Chair

Number of Meetings 2020-21

Corporation	3	Curriculum, Quality and Standards	3
Finance, Personnel & Development	3	Search	1
Audit	3	Remuneration	1
Estates Strategy Group	0		

In 2020, in response to the Covid-19 pandemic, the College established a Chairs' Group comprising the Chair of Corporation, the Vice Chair of Corporation, the Chair of Audit Committee, Chair of Finance, Personnel and Development Committee, Chair of Curriculum, Quality and Standards Committee and the Principal to strengthen governance support for the College's Executive Management Group. The Chairs' Group had no formal powers beyond those vested in its members.

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

Governors (Appointed and Nominated) who served between 1 August 2020 and up to the date of signature of this report were:

Name	Date last Appointed/ Reappointed	Date First Appointed	Term of Office	Date Resigned	Status of Appointment	Committees	Full Corp'n Meetings Attended
Kate Bell (Vice Chair)	21/03/2018	16/07/2008	3 Years	01/04/2021	Appointed	A(Ch), R, S	2 of 2
Amanda Blinkhorn	31/03/2021	21/03/2018	3 Years		Nominated Tchg Staff	Q	3 of 3
Romi Brandeis	01/07/2019	01/07/2019	1 Year	25/06/2021	Nominated Student	Q	2 of 2
Barbara Byrne	01/04/2020	11/12/2013	3 Years		Appointed	E, F(Ch), Q, R	3 of 3
Arianna Cariacciolo	01/07/2019	01/07/2019	1 Year	25/06/2021	Nominated Student	Q	1 of 2
Susan Corby	15/07/2020	15/07/2020	3 Years		Appointed	F	3 of 3
Fran Fahey	03/04/2019	03/04/2019	3 Years		Appointed	F	3 of 3
Khaly Fall	25/06/2021	25/06/2021	1 Year		Nominated Student	Q	1 of 1
Neil Garner	15/07/2020	15/07/2020	3 Years		Appointed	A	3 of 3
Helen Hammond	01/12/2014	01/12/2014	Ex Officio		Principal	F, Q, S	3 of 3
June Jarrett	16/07/2020	12/07/2017	3 Years		Appointed	Q	2 of 3
Samata Khatoun	23/03/2021	21/03/2018	3 Years		Appointed	Q	3 of 3
Monika Kinasiewicz	01/11/2019	01/11/2019	3 Years		Nominated Bus. Staff	Q	3 of 3
Alexi Marmot	01/04/2020	11/12/2013	3 Years		Appointed	E(Ch), F	3 of 3
Chris Percy	03/04/2019	20/07/2016	3 Years	31/12/2020	Appointed	A	1 of 1
Guy Shackle (Chair)	23/03/2021	21/03/2018	3 Years		Appointed	R, S, E, F	3 of 3
Jon Sibson	03/04/2019	03/04/2019	3 Years		Appointed	Q(Ch), F	3 of 3
Max Silver	31/03/2021		3 Years		Appointed	A	2 of 2
Paul Smith	16/07/2020	12/07/2017	3 Years		Appointed	A(Ch)	3 of 3

+ and - indicate a Governor respectively joining or leaving a committee during the year.

During the year one new Appointed Governor and one Nominated Student Governor joined the Board and two Appointed Governors stood down. Two existing Appointed Governors were re-appointed for a further term. The Board agreed that the terms of office of the two Nominated Student Governors should be further extended to June 2021 as the Covid-19 pandemic and national lockdown prevented new elections from being held until the summer term 2021.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

The Articles of Association for WMC Corporation were last amended and approved by the then Department of Business, Innovation and Skills (BIS) and adopted by the Corporation on 7 July 2010. The Revised Articles of Association included provision for retirement by rotation for Appointed Governors organised via three cohorts to avoid uneven bunching of consideration of re-appointments.

The Principal is the Accounting Officer and, ex officio, a Nominated Governor. The date of appointment as a Nominated Governor and the date of retirement or removal from office are determined by the Appointed Governors.

The Working Men's College is a company limited by guarantee and its Appointed Governors are also members of the company. Every member undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, such amount as may be required but not exceeding five pence.

Bill Barker was the Clerk to the Corporation and Company Secretary throughout the period.

Fellows of the College

In January 2020, the Search Committee agreed to propose additional 6 year terms of office for existing Fellows and new appointments and 6 year terms of office for other recently retired governors. Further development was paused during the Covid-19 pandemic and has restarted for the 2021/22 year. Current Fellows are:

Name	Year Appointed / Reappointed	Term of Office
Selwyn Midgen	2020	6 Years
Bipin Patel	2020	6 Years
Dame Ruth Silver	2020	6 Years
Baroness Janet Whitaker	2020	6 Years
Satnam Gill OBE	2020	6 Years
Lucy de Groot	2020	6 Years
Abdul Qadar	2020	6 Years
Nigel Franklin	2020	6 Years
David Offenbach	2020	6 Years
Prof Tom Schuller	2020	6 Years
Paula Whittle	2020	6 Years

Role of the Corporation

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

Thus, the Corporation is responsible for determining the educational character and mission of the College together with its broad strategic approach. It oversees the delivery of the College's aims and objectives, the stewardship of its assets and safeguards the efficient and effective use of its resources.

The Principal is accountable to the Corporation, within the framework set by the Governors, and advises the Governors in the exercise of their responsibilities. The Corporation looks to the Principal and the College management to manage the day-to-day running of the College.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

The Corporation is provided, by College management, 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 full Corporation meets at least termly and during the Covid-19 pandemic these meetings were held online via MS Teams to facilitate ongoing full engagement by all members. Governors discussed the pandemic and its impact on the College operations and performance, risk assessments and arrangements for returning to onsite activities in a Covid-safe way. They also received updates on learner enrolments, college funding and finances and collaborative arrangements with the other London Institutes of Adult Learning.

The Corporation conducts its business through a number of committees, each chaired by a Governor. Each committee has terms of reference which have been approved by the full Corporation. The committees which operated during the year were:

- Audit Committee
- Curriculum, Quality and Standards Committee
- Finance, Personnel and Development Committee (FPDC)
- Remuneration Committee
- Search Committee

Full minutes of all meetings, except those deemed by the Corporation to be confidential, are available from the Clerk to the Corporation, Bill Barker, at:

Working Men's College
44 Crowndale Road
London NW1 1TR

Minutes for Corporation meetings can be downloaded from the Governors' page of the College Website:
<https://www.wmcollege.ac.uk/about-us/governance/>

The Governors receive no remuneration for their services, but are entitled to claim out of pocket expenses. A total of £nil was claimed for the year to 31 July 2021 (£388 in 2019/20, claimed by two Governors). The Clerk to the Corporation maintains a register of financial and personal interests of the Governors and key management personnel of the College. The register is available for inspection on application to the Clerk at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters 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 that could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility as the roles of the Chair of the Corporation and Accounting Officer of the College are separate.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2021

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 comprising six Governors, 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 induction and training is provided as required. Members of the Corporation are appointed initially for a term of office not exceeding three years.

Corporation Performance

Governors considered a report at the December 2020 Board meeting, ahead of approving the report and accounts, which identified further improvements in governance arrangements at the College during 2019/20. Supported by the evidence in that paper plus the ensuing discussion, Governors self-assessed their performance as "Good".

Remuneration Committee

The Remuneration Committee comprises three Governors excluding the Accounting Officer. The Committee's responsibilities are to consider the College's annual report on senior management pay and to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other designated Senior Postholders.

Details of remuneration for the year ended 31 July 2021 are set out in notes 6 and 7 to the financial statements.

Audit Committee

The Audit Committee comprises three Governors (excluding the Accounting Officer and Chair of Corporation) including a finance and audit specialist. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

	Appointment	Resignation	Possible Meetings	Attended	Attendance
Paul Smith (Chair)			3	3	100%
Kate Bell		1 April 2021	2	2	100%
Chris Percy		31 Dec 2020	1	1	100%
Neil Garner			3	3	100%
Max Silver	31 March 2021		1	1	100%

The Audit Committee meets at least three times during the year and provides a forum for reporting by the College's internal and financial statements auditors, who have right of access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the Education and Skills Funding Agency as they affect the College's business.

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 appoints the internal auditors and advises the Corporation on the appointment of financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation. The appointment of financial statements auditors is an annual item of business for the full Board of Corporation.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

Internal Control

Scope of Responsibility

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

The Corporation has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreements between the College and the Education and Skills Funding Agency and the College and the Greater London Authority. 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 designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within Working Men's College for the year ended 31 July 2021 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2021 and up to the date of approval of the Annual Report and Financial Statements. Risks are allocated to the most appropriate committee, reviewed at each meeting, and reported to the next full Corporation meeting. A full review of the risks and the annual report on risk management is undertaken by Audit Committee each autumn and reported to the full Corporation in December prior to the approval of the financial statements.

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; and
- the adoption of formal project management disciplines, where appropriate.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

Working Men's College has internal audit arrangements, which operate in accordance with the requirements of the ESFA's Post-16 Audit Code of Practice. The work of the internal audit providers 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 College's Governing Body on the recommendation of the Audit Committee. Internal audit services provide the Audit Committee with reports on each internal audit activity in the College. Where appropriate, each report includes their independent opinion on the adequacy and effectiveness of the College's system of internal control, risk management controls and governance processes, including internal financial control insofar as it is impacted by the area being reported on.

Review of Effectiveness

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

- the work of the internal audit providers;
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the College's financial statements auditors and the regularity 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 audit providers and other sources of assurance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The College's Executive Management Group (EMG) 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 EMG and the Audit Committee also receive regular reports from the internal audit providers, 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 EMG and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. Each committee of Corporation receives a report on risk management at every meeting including the latest extract of the College's risk register covering the risks for which it has responsibility, as reviewed and updated by the Executive Management Group.

Thus, any new risks are identified and controls on existing identified risks are reviewed on an ongoing basis. The Corporation reviews and approves the Risk Register annually and delegates monitoring of the risks listed to the most appropriate committee who consider them at each meeting. At its December 2021 meeting the Corporation will carry out the annual assessment for the year ended 31 July 2021 by considering documentation from the EMG, Audit Committee and internal audit providers and taking account of events since 31 July 2021.

The Board also considers at its December meeting the Annual Report of the Chair of the Audit Committee, which includes advice to the board on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes, and on securing economy, efficiency and effectiveness (value for money). The report advises the Board of any significant matters arising from the work of the College's Internal Audit Service (IAS) and financial statements and regularity auditors appointed by the Board, and of the Funding Auditors appointed by the ESFA as applicable.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2021

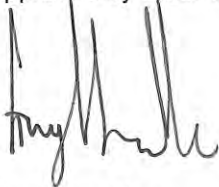
The Corporation also receives, in December, the Accounting Officer's Annual report on risk management which states the view that the College's practices have enabled it to effectively identify, evaluate and control risks in order to eliminate, reduce, contain or transfer them.

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

Going Concern

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

Approved by order of the Governors of the Corporation on 15 December 2021 and signed on its behalf by:



Guy Shackle
Chair



Helen Hammond
Accounting Officer

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

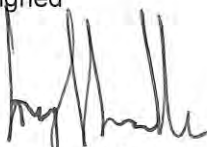
for the year ended 31 July 2021

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreements and contracts with the ESFA. As part of its consideration the Corporation has had due regard to the requirements of grant funding agreements and contracts with the ESFA.

We confirm, on behalf of the Corporation, that after due enquiry and to the best of our knowledge, Corporation members expect to be able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contracts with the ESFA.

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

Signed



Guy Shackle
Chair



Helen Hammond
Accounting Officer

15 December 2021

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNORS OF THE CORPORATION

for the year ended 31 July 2021

The Governors of the Corporation (who are trustees for the purposes of the Charities Act and whose Appointed Governors are also the directors of the company for the purposes of the Companies Act) are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's grant funding agreements and contracts with the Education and Skills Funding Agency (ESFA) and the Greater London Authority (GLA), the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the UK's Generally Accepted Accounting Practice (GAAP), the "College Accounts Direction 2020 to 2021" issued by the ESFA and which give a true and fair view of the state of affairs of the College and its surplus or deficit of income over expenditure for that year.

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; and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992, Charities Act 2011, the Companies Act 2006 and relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the Working Men's College website is the responsibility of the Governing Body of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governors of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the ESFA and GLA and any other public funds are used only in accordance with the ESFA's and GLA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA, GLA or any other public funder. Governors of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, Governors of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and GLA are not put at risk.

Approved by the Governors of the Corporation on 15 December 2021 and signed on their behalf by:

Guy Shackle
Chair



WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKING MEN'S COLLEGE for the year ended 31 July 2021

Opinion

We have audited the financial statements of Working Men's College (the 'College') for the year ended 31 July 2021 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of its deficit of income under 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKING MEN'S COLLEGE (continued) for the year ended 31 July 2021

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report, which is also the Directors' report for the purposes of company law and includes the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of responsibilities of the Governors' of the Corporation, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKING MEN'S COLLEGE (continued) for the year ended 31 July 2021

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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

- The Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the College through discussions with management and from our knowledge and experience of the sector;
- We focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, Companies Act 2006, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKING MEN'S COLLEGE (continued) for the year ended 31 July 2021

Auditor's responsibilities for the audit of the financial statements (continued)

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

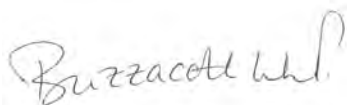
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Corporation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL

16 December 2021

WORKING MEN'S COLLEGE CORPORATION

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNORS OF THE CORPORATION OF WORKING MEN'S COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (the ESFA) for the year ended 31 July 2021

In accordance with the terms of our engagement letter dated 31 May 2019 and further to the requirements and conditions of funding in the Education and Skills Funding Agency's Grant Funding Agreements and contracts, including those of the Greater London Authority (GLA), we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that, in all material respects, the expenditure disbursed and income received by the Working Men's College during the period 1 August 2020 to 31 July 2021 has not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by the GLA or other relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the Corporation of Working Men's College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of the Working Men's College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Working Men's College and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Working Men's College and the Reporting Accountant

The Corporation of Working Men's College is responsible, under the requirements of the Further and 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.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

WORKING MEN'S COLLEGE CORPORATION

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNORS OF THE CORPORATION OF WORKING MEN'S COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (the ESFA) for the year ended 31 July 2021

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

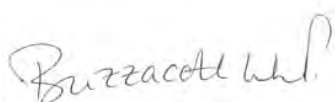
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the College's income and expenditure.

The work undertaken to draw our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that, in all material respects, the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants and Statutory Auditors
130 Wood Street
London EC2V 6DL

16 December 2021

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 July 2021

	Note	2021	2020
		£'000	£'000
INCOME			
Funding body grants	2	4,977	4,765
Tuition fees and education contracts	3	354	426
Other income	4	188	65
Endowment and investment income	5	115	117
Total income		5,634	5,373
EXPENDITURE			
Cost of generating funds	3	9	
Staff costs	6	3,958	3,813
Fundamental restructuring costs	6	-	43
Other operating expenses	8	1,084	1,146
Depreciation	11	640	362
Interest and other finance costs	9	43	47
Total expenditure		5,728	5,420
Operational deficit before other gains and losses and before tax		(94)	(47)
Gains/(Losses) on listed investments	12	937	(508)
Gain/(Loss) on investment property	13	90	(90)
Surplus/(Deficit) before tax		933	(645)
Taxation	10	-	-
Total Comprehensive Income for the Year		933	(645)
Represented by:			
Restricted comprehensive income/(expenditure)		592	(218)
Endowment fund income/(expenditure)		374	(202)
Unrestricted comprehensive expenditure		(33)	(225)
		933	(645)

The statement of comprehensive income is in respect of continuing activities.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CHANGES IN RESERVES

for the year ended 31 July 2021

	Income and Expenditure reserve		Restricted reserves		Endowments		Total reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019		8,326		2,956		2,144		13,426
Deficit from the income and expenditure account	(163)		(280)		(202)		(645)	
Transfers between restricted and income and expenditure reserves	(62)		62		-		-	
Total comprehensive income for the year		(225)		(218)		(202)		(645)
Balance at 31 July 2020		8,101		2,738		1,942		12,781
Surplus from the income and expenditure account	31		528		374		933	
Transfers between restricted and income and expenditure reserves	(64)		64		-		-	
Total comprehensive income for the year		(33)		592		374		933
Balance at 31 July 2021		8,068		3,330		2,316		13,714

Included within restricted reserves at the balance sheet date is an amount of £205,049 which relates to the assets of the Francis Martin College Charitable Foundation. The Working Men's College Corporation is the sole trustee of the Francis Martin College charity (registered charity number 312802) and looks after the assets on its behalf. The assets are invested in the Newton Growth and Income Fund for Charities alongside the investments of the Working Men's College Corporation.

WORKING MEN'S COLLEGE CORPORATION

BALANCE SHEET

as at 31 July 2021

	Note	£'000	2021 £'000	£'000	2020 £'000
NON-CURRENT ASSETS					
Tangible fixed assets	11		9,094		8,885
Listed Investments	12		5,799		4,862
Investment Property	13		1,650		1,560
			<u>16,543</u>		<u>15,307</u>
CURRENT ASSETS					
Trade and other receivables	14	180		192	
Cash and cash equivalents		810		760	
		<u>990</u>		<u>952</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	15	(1,285)		(1,248)	
NET CURRENT LIABILITIES					
			(295)		(296)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			16,248		15,011
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	16		(2,534)		(2,230)
TOTAL NET ASSETS					
			<u>13,714</u>		<u>12,781</u>
ENDOWMENTS					
Permanent	18	305		256	
Expendable	18	2,011		1,686	
			2,316		1,942
RESTRICTED RESERVES					
Restricted reserves			3,330		2,738
UNRESTRICTED RESERVES					
Income and expenditure account			8,068		8,101
TOTAL RESERVES					
			<u>13,714</u>		<u>12,781</u>

The financial statements on pages 35 to 53 were approved and authorised for issue by the Corporation on 15 December 2021 and were signed on its behalf on that date by:

Guy Shackle
Chair



Helen Hammond
Accounting Officer



WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CASHFLOWS

for the year ended 31 July 2021

	Note	£'000	2021 £'000	£'000	2020 £'000
Cash inflow from operating activities					
Surplus/(Deficit) for the year			933		(645)
<u>Adjustment for non-cash items</u>					
(Gains)/Losses on investments			(1,027)		598
Depreciation	11		640		362
Decrease in debtors	14		12		194
Decrease in creditors due within one year	15		(30)		(224)
Release of capital grants	16		(128)		(63)
<u>Adjustments for investing or financing activities</u>					
Investment income receivable	5		(114)		(113)
Interest receivable	5		(1)		(4)
Interest payable	9		43		47
Net cashflow from operating activities			328		152
Cashflows from investing activities					
Income from investments and endowments	5	114		113	
Other interest received	5	1		4	
Payments to acquire tangible fixed assets	11	(849)		(1,675)	
Receipts of new capital grants		585		-	
			(149)		(1,558)
Cashflows from financing activities					
Interest payable	9	(43)		(47)	
Capital element of bank loan repayments	17	(86)		(81)	
			(129)		(128)
Increase/(Decrease) in cash and cash equivalents in the year			50		(1,534)
Cash and cash equivalents at 1 August			760		2,294
Cash and cash equivalents at 31 July			810		760

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the SORP), the College Accounts Direction for 2020-21 and in accordance with Financial Reporting Standard 102: - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. In order to present a true and fair view, the College has not followed the provisions of the Companies Act 2006 regarding the format of the financial statements where these are not appropriate to the College's activities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of listed investments and the investment property.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members' Report including the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The Covid-19 pandemic has impacted the College finances through loss of fee income and other non-grant funded activity, resulting in the deficits reported for 2019/20 and 2020/21. The balance sheet also shows net current liabilities at 31 July 2021 although these revert to net current assets when non-cash items in creditors, such as deferred capital grants, are eliminated. The budget for 2021/22 is cash generative and the College cashflow forecasts demonstrate that it has sufficient cash resources, including an adequate buffer for unforeseen variances, to meet its liabilities as they fall due. In addition, the listed investments could be liquidated at short notice if necessary.

The College currently has £719,000 of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 7 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Recognition of income

Tuition fee income is recognised in the period for which it is received and includes all fees chargeable to students.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a non-recurrent government grant from the ESFA or other body is deferred and amortised in line with depreciation over the life of the associated assets funded, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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 FRS102. 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.

Post-employment Benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension scheme.

Contributions to the TPS, which is a final salary scheme, are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

As stated in Note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the comprehensive income statement in the periods during which services are rendered by employees.

Contributions to the group personal pension scheme, which is not a final salary scheme, are a fixed percentage of salary and are charged to the statement of comprehensive income on an accruals basis.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Endowments and reserves

Permanent endowments comprise monies which must be held indefinitely as capital and expendable endowments represent capital monies which can be drawn upon if required. Income therefrom is credited to the statement of comprehensive income and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted reserves.

Restricted reserves comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. At the balance sheet date, £2.903m of these related to funds connected with the College's former playing fields, including the sale proceeds. A further £205,000 represents the funds of the Francis Martin College Pfeiffer Trust scheme and the remaining £222,000 relates to equipment reserves. The College is reviewing the ongoing appropriateness of the restrictions and assets allocated to the funds.

Tangible fixed assets

Land and buildings and improvements to buildings are stated in the balance sheet at cost.

Individual items of equipment costing greater than £500 and with an expected useful life exceeding one year are capitalised at cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Tangible fixed assets are depreciated over their useful economic lives, on a straight line basis, as follows:

Freehold buildings	-	2% per year for new buildings,
	-	5% per year for existing buildings
Building improvements	-	4% - 10% per year
Technical equipment	-	25% per year
Computer hardware	-	33 ¹ / ₃ % per year
Computer software	-	33 ¹ / ₃ % per year
Furniture, fixtures and fittings	-	16 ² / ₃ % per year

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

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; or
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Tangible fixed assets (continued)

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.

Leased assets

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial Liabilities and Equity

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

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

Investments including endowment assets

Investments are included on the balance sheet at their market value, as provided by the investment manager, at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the statement of total gains and losses in the year in which they arise.

Investment Property

The investment property is included at estimated market value at the balance sheet date.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 Chapter 3 Part 11 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.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Taxation (continued)

The College receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it incurs on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and Contingent Liabilities

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

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

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

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

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds from the ESFA or Department for Education. Related payments received from the funding bodies and subsequent disbursements to learners are excluded from the income and expenditure of the College where the College is exposed to minimum 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 has made the following judgements:

- Determined whether leases entered into by the College either as lessor or 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.
- Determined 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.

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing 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 an asset and projected disposal values.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

- Covid-19

Management has estimated the impact of the Covid19 pandemic on the College's finances for the purposes of preparing budgets and cash flow forecasts for the years ending 31 July 2022 and 2023. The full impact following the emergence of the coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the College's activities, beneficiaries, funders, suppliers and the wider economy.

2 FUNDING COUNCIL GRANTS

	2021 £'000	2020 £'000
Recurrent grants		
Education and Skills Funding Agency - adult	53	45
Greater London Authority - adult	4,403	4,358
Education and Skills Funding Agency - 16-18	187	164
Specific grants		
Teachers' Pension Support Grant	150	132
Other specific grants	56	-
Release of government capital grants	128	66
	<u>4,977</u>	<u>4,765</u>

3 TUITION FEES AND EDUCATION CONTRACTS

	2021 £'000	2020 £'000
Adult education fees	310	362
Fees for FE loan supported courses	38	62
Total tuition fees	<u>348</u>	<u>424</u>
Education contracts	6	2
	<u>354</u>	<u>426</u>

4 OTHER INCOME

	2021 £'000	2020 £'000
Government Job Retention Scheme	90	-
Non-funding body grants	25	-
Property rental income	56	44
Other income	17	21
	<u>188</u>	<u>65</u>

5 ENDOWMENT AND INVESTMENT INCOME

	2021 £'000	2020 £'000
Income from restricted asset investments	64	62
Income from endowment and unrestricted investments	50	51
Other interest receivable	1	4
	<u>115</u>	<u>117</u>

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

6 STAFF COSTS

The average number of persons (including key management personnel) employed by the College during the year, described as headcount (no.) and as full-time equivalents (f.t.e) was:

	2021 No.	2021 f.t.e.	2020 No.	2020 f.t.e.
Teaching staff	122	54	130	53
Non-teaching staff	57	44	47	40
	<u>179</u>	<u>98</u>	<u>177</u>	<u>93</u>

The total staff costs for the above persons were:

	2021 £'000	2020 £'000
Wages and salaries	3,149	3,033
Social security costs	282	249
Other pension costs (note 19)	478	459
Payroll sub total	<u>3,909</u>	<u>3,741</u>
Contracted out staffing services	49	72
	<u>3,958</u>	<u>3,813</u>
Fundamental restructuring costs - contractual	-	36
non-contractual	-	7
Total staff costs	<u>3,958</u>	<u>3,856</u>

Fundamental Restructuring Costs

The 2020 staff restructuring costs relate to the implementation of the College's continual reorganisation programme which ensures the College staffing structure remains fit for purpose, responsive to changes in funding priorities and achieves efficiencies necessary for continued financial viability. The restructuring costs were approved by Governors.

7 EMOLUMENTS OF KEY MANAGEMENT PERSONNEL AND OTHER HIGHER PAID STAFF

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 Executive Management Group which comprises the 8 posts of Principal, Deputy Principal, Vice Principal, 2 Directors of Learning, Director of Learner Services, Head of MIS and HR Manager.

The post of MIS Director was made redundant in August 2019 and the post of Assistant Principal was made redundant at the end of April 2019. Staff costs include compensation paid for loss of office for these posts in the current and prior year respectively.

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	<u>8</u>	<u>7</u>

Names of the key management personnel and their periods of employment are set out on page 2.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

7 EMOLUMENTS OF KEY MANAGEMENT PERSONNEL AND OTHER HIGHER PAID STAFF continued

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

	Key management personnel		Other staff	
	2021 No.	2020 No.	2021 No.	2020 No.
£ 50,001 to £ 55,000 per annum	1	-	n/a	n/a
£ 55,001 to £ 60,000 per annum	2	2	n/a	n/a
£ 60,001 to £ 65,000 per annum	2	2	-	-
£ 70,001 to £ 75,001 per annum	-	-	-	-
£ 75,001 to £ 80,000 per annum	-	-	1	-
£ 80,001 to £ 85,000 per annum	2	2	-	-
£110,001 to £ 115,000 per annum	1	1	-	-
	<u>8</u>	<u>7</u>	<u>1</u>	<u>-</u>

Key management personnel compensation is made up as follows:

	2021 £'000	2020 £'000
Salaries	569	484
Benefits-in-kind	-	-
	<u>569</u>	<u>484</u>
Pension contributions	90	83
Total key management personnel compensation	<u>659</u>	<u>567</u>

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

The above compensation includes amounts payable to the Principal, who is the Accounting Officer and who was also the highest paid member of staff, of:

	2021 £'000	2020 £'000
Salaries	112	112
Benefits-in-kind	-	-
	<u>112</u>	<u>112</u>
Pension contributions	<u>27</u>	<u>26</u>

The pension contributions for the Accounting Officer and three other key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme and for the other four (2020 - three) key management personnel are in respect of the College's Group Personal Pension Scheme. The employer contributions are paid at the same rate as for other employees and the pension entitlements accrue in the scheme on the same basis as for other employees.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

7 EMOLUMENTS OF KEY MANAGEMENT PERSONNEL continued

The Governing Body adopted AoC's Senior Staff Remuneration Code in March 2019 and will assess pay in line with its principles in future.

The remuneration package of Key Management Personnel, including the Principal, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking and other appropriate information to help to provide objective guidance.

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

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

	2021 £'000	2020 £'000
Principal's basic salary as a multiple of the median of all staff	4.2	4.2
Principal's total remuneration as a multiple of the median of all staff	4.2	4.2

Compensation for loss of office paid to former Key Management Personnel

	2021 £	2020 £
Compensation paid to one former post holder	-	6,825

The severance payment was approved by College Governors.

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

8 OTHER OPERATING EXPENSES

	2021 £'000	2020 £'000
Teaching costs	85	106
Non-teaching costs	499	601
Premises costs	500	439
	1,084	1,146

Included in the total of other operating expenses are:

	2021 £'000	2020 £'000
Auditors' remuneration:		
Financial Statements and Regularity audit	22	20
Internal audit	16	11
Other services provided by the Financial Statements Auditor for		
Teachers' Pension audit	2	2
Hire of assets under operating leases	4	3

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

9 INTEREST AND OTHER FINANCE COSTS

	2021 £'000	2020 £'000
Interest payable on bank loans repayable wholly or partly in more than five years	43	47
	<u>43</u>	<u>47</u>

10 TAXATION

The College has charitable status for taxation purposes and the members of the Corporation consider that all the activities of the College during the current and preceding years fell within qualifying categories and no Corporation Tax arises. Accordingly no provision for corporation tax is made in the accounts in either year.

11 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Building Improve- ments £'000	Computer Equipment £'000	Furniture Fixtures and Fittings £'000	Assets in Course of Construction £'000	Total £'000
Cost or valuation						
At 1 August 2020	6,711	1,294	1,203	535	3,159	12,902
Additions	-	430	266	25	128	849
Transfers	-	3,020	115	-	(3,135)	-
Disposals	-	-	-	-	-	-
At 31 July 2021	<u>6,711</u>	<u>4,744</u>	<u>1,584</u>	<u>560</u>	<u>152</u>	<u>13,751</u>
Depreciation						
At 1 August 2020	1,671	814	1,076	456	-	4,017
Charge for the year	131	265	206	38	-	640
Disposals	-	-	-	-	-	-
At 31 July 2021	<u>1,802</u>	<u>1,079</u>	<u>1,282</u>	<u>494</u>	<u>-</u>	<u>4,657</u>
Net book value						
At 31 July 2021	<u>4,909</u>	<u>3,665</u>	<u>302</u>	<u>66</u>	<u>152</u>	<u>9,094</u>
At 31 July 2020	<u>5,040</u>	<u>480</u>	<u>127</u>	<u>79</u>	<u>3,159</u>	<u>8,885</u>

Assets in the course of construction at 31 July 2020 represented £3.04m for the replacement of the heating system and installation of a mixed mode ventilation system in the College's Crowndale Road site and £115k related to the new HR/Payroll system. Practical completion was achieved on the heating and ventilation system in autumn 2020 and the asset transferred to Building Improvements. The HR/payroll system implementation was completed and went "live" in November 2020 and the asset was transferred to Computer Equipment. During spring and summer 2021, the College's IT infrastructure underwent a major upgrade and the value of works to the balance sheet date are included in assets in the course of construction; the works were completed in September 2021.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

12 LISTED INVESTMENTS

	Unrestricted Assets £'000	Restricted Assets £'000	Endowment Assets £'000	Total £'000
Market value of listed investments				
At 1 August 2020	183	2,737	1,942	4,862
Depreciation in value of investments	(29)	592	374	937
Total portfolio value at 31 July 2021	154	3,329	2,316	5,799
Cost of listed investments at 31 July 2021	138	2,058	1,460	3,656
Total net unrealised gains at 31 July 2021 included above	16	1,271	856	2,143
Analysis of total portfolio value				
Pooled investment vehicles				5,799

At 31 July 2021, listed investments included the following holding deemed material when compared with the overall portfolio valuation as at that date:

	Market value £'000	% of portfolio value
Newton Growth and Income Fund for charities	5,799	100%

13 INVESTMENT PROPERTY

	2021 £'000	2020 £'000
At 1 August 2020	1,560	1,650
Revaluation of investment property	90	(90)
At 31 July 2021	1,650	1,560

The College owns the freehold of the property immediately adjacent to the main college building in Crowndale Road. The building is not used for the delivery of education and is let out as residential accommodation on a commercial basis. The net revenue generated is applied to the charitable purposes of the College.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

14 TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Amounts falling due within one year		
Trade receivables	31	50
Prepayments and accrued income	141	141
Other debtors	8	1
	<u>180</u>	<u>192</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Bank loans (note 17)	91	86
Payments received in advance	114	71
Trade payables	325	278
Other taxation and social security	74	77
Accruals and deferred income	197	232
Deferred income - government capital grants	125	63
Amounts owed to funding bodies	272	374
Other creditors	87	67
	<u>1,285</u>	<u>1,248</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £'000	2020 £'000
Bank loans (note 17)	628	719
Deferred income - government capital grants	1,906	1,511
	<u>2,534</u>	<u>2,230</u>

17 MATURITY OF DEBT

	2021 £'000	2020 £'000
Bank loans are repayable as follows:		
In one year or less	91	86
Between one and two years	96	91
Between two and five years	320	303
In five years or more	212	325
	<u>719</u>	<u>805</u>

The College took out an unsecured loan in 2007 to support phase 1 of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.485% and repayable by equal quarterly instalments from 3 December 2007 to 1 December 2027.

A second unsecured loan was taken out in 2011 to support the second phase of the Crowndale Road building refurbishment. The loan is at a fixed interest rate of 5.73% and repayable by equal quarterly instalments from 14 November 2011 to 14 August 2028.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

18 ENDOWMENTS

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2020	256	1,686	1,942
Appreciation of endowment asset investments	49	325	374
At 31 July 2021	305	2,011	2,316
Representing:			
Prize funds	101	-	101
Library funds	159	-	159
Other funds	44	2,011	2,055
	304	2,011	2,315
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2019	282	1,862	2,144
Appreciation of endowment asset investments	(26)	(176)	(202)
At 31 July 2020	256	1,686	1,942
Representing:			
Prize funds	85	-	85
Library funds	134	-	134
Other funds	37	1,686	1,723
	256	1,686	1,942

19 DEFINED BENEFIT OBLIGATIONS

Most of the College's employees are members of one of the two principal post employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a multi-employer defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No defined benefit pension liability arises as a result of contributions to the Group Personal Pension Scheme.

The TPS pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 but the outcome is not yet published.

The total pension cost for the year was:

	2021 £'000	2020 £'000
Teachers' pension scheme - contributions paid	415	402
Group personal pension scheme - contributions paid	63	57
Total pension cost for the year within staff costs (note 6)	478	459

Contributions amounting to £ 53,000 (2020 - £ 54,000) for the TPS and £ 8,000 (2020 - £ 7,000) for the group personal pension scheme were payable to the scheme at 31 July and are included in creditors. The liabilities were paid to the relevant schemes in the new financial year.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

19 DEFINED BENEFIT OBLIGATIONS continued

Teachers' Pension Scheme

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated costs of future benefits) for service to the effective date of £218 billion and notional assets (estimated future contributions together with the notional investments held at valuation date) of £198 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards compared to 16.48% during 2018/19. The DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020/21 academic year and up to July 2022.

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

The pension costs paid to TPS in the year amounted to £415,000 (2020: £402,000)

20 FINANCIAL COMMITMENTS

	2021 £'000	2020 £'000
Capital commitments		
Contracted for but not provided at 31 July	214	48
Authorised but not yet contracted for at 31 July	-	-

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2021

21 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which would have a material impact on the financial statements and require either adjustment or disclosure.

22 RELATED PARTY TRANSACTIONS

Due to the nature of the College's operations and the composition of the Corporation, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified during the year which should be disclosed.

The total expenses paid to or on behalf of the Corporation members during the year were £ nil (2020 - £388 relating to two governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or Governor training events.

No Governor has received any remuneration or waived payments from the College during the current or previous year.

23 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The College has purchased directors' and officers' liability insurance. The insurance premium paid by the College for the year ended 31 July 2021 was £3,492 (2020 - £2,775) and provides cover of up to a maximum of £2 million for all claims during a year.

24 MEMBERS' LIABILITY

Every member of the Corporation undertakes to contribute to the assets of the College in the event of it being wound up while he/she is a member such amount as may be required, but not exceeding five pence.

25 AMOUNTS DISBURSED AS AGENT

	2021 £'000	2020 £'000
Unspent balance at 1 August	48	97
Repaid to EFSA in year	-	(51)
Loans bursary fund	12	24
	60	70
Disbursed to Students	-	(12)
Area uplift re Adult Learning Loans	(7)	(10)
	(7)	(22)
Balance unspent at 31 July included in creditors	53	48

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