



The Camden College

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 2019

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 2019

Professional Advisors

Financial Statements & Regularity Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Solicitors:

Bates Wells LLP
Scandinavian House
2-6 Cannon Street
London EC4M 6YH

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

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

Investment Managers:

BNY Mellon Limited
Mellon Financial Centre
160 Queen Victoria Street
London EC4V 4LA

Key Management Personnel

Key management personnel are defined as members of the College's Executive Management Group. For 2018/19 and 2017/18 the members were:

Helen Hammond - Principal and CEO, Accounting Officer
Maria Rosenthal - Deputy Principal
Martin Jones - Vice Principal
Lisa Potter - Assistant Principal (to 30 April 2019)
Charlie Coles - MIS Director (to 31 August 2019)
Diana Teesdale (from 1 September 2018)
Lisa Marklew (from 1 September 2018)

Board of Governors

A full list of Governors is given on page 18 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 2019

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 "WMC") for the year ended 31 July 2019.

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 2018/19 these were the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA). The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by a Financial Memorandum with the EFSA. 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 was reviewed during 2015/16 and the updated mission statement of the College which was 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 the year which was approved by the Corporation in July 2019. The plan covers the period from 2019 – 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.

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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 19.

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.

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General Financial Objectives

The College's general financial objectives were revised in 2017 and reviewed, but not changed, during the year. 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
- EBITDA, using ESFA education specific definition, of between 4% and 6% of income
- Borrowing as a %age 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

In 2018/19, each of the 6 financial objectives was met or exceeded as follows:

<u>Objective</u>	<u>2018/19</u>	<u>Met</u>
Cash days of not less than 40 nor greater than 65	146	Exceeded*
An adjusted current ratio in the range of 2.0:1 – 2.5:1	2.07	Met
EBITDA, using ESFA education specific definition, of between 4% and 6% of income	13%	Exceeded
Borrowing as a %age of non-endowment reserves of less than 15%	6.6%	Met
Staff costs (excluding restructuring costs) between 64% and 68% of income	63.0%	Exceeded
Financial health of "Good" with a score of at least 200 points	Outstanding	Exceeded

*At 31 July 2019, the College held considerably more than 65 cash days in hand which is being applied to the capital project outlined in the accommodation strategy section below.

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 2019, the proportions of investments by type were as follows:

- 100% in the Newton Global Growth and Income Fund for Charities.

The objectives have been reviewed during the year and are considered to remain appropriate.

At 1 August 2018 the investment portfolio was valued at £4.957 million. The investment income received during the year was £138,000 which equates to 2.8% of the opening valuation. The portfolio value had risen to £5.370 million by 31 July 2019 representing annual growth of 8.3%. These two elements give a combined total return of 11.1% which is in excess of the target of "inflation plus 4%".

WORKING MEN'S COLLEGE CORPORATION

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for the year ended 31 July 2019

Accommodation Strategy

An Estates Strategy Group has been established as a sub-committee of the Finance, Personnel and Development Committee of Governors to help develop an updated Estate Strategy for the College to support the new strategic plan.

Learner Voice and staff feedback has been clear about the need to address summer overheating and winter coldness in the teaching spaces on the front elevation of the College's main Victorian, listed building in Crowndale Road. During 2017/18 an options analysis was considered by the Estates Strategy Group and a scheme to introduce a mixed mode ventilation system alongside a comprehensive new heating system was adopted by Governors. The scheme design utilises features of the existing structure of the Victorian building and is sympathetic to its grade II listed features. In April 2018, the scheme received local authority listed building approval and planning consent and in July 2018 the main contractor was appointed by the Governors following a thorough tendering process. The project represents an investment of over £2m and by 31 July 2019, costs of £1.59 million had been incurred and are included in fixed assets.

Works to implement the design have been carried in 2 phases, the first in summer 2018 and the second in summer 2019 with the new heating system expected to be operational for the autumn 2019 heating season.

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

The College's performance against the Education and Skills Funding Agency's (ESFA) revenue and learner number targets in 2018/19 is set out below:

Funding for Adults

Funding Category		Target (allocation) (ESFA contract)	Actual Outturn (Final Claim)	Performance (%)
Adult (19+) Learner- Responsive Funding (including 19+ Apprenticeships)	Adult Education Budget (AEB)	£4,261,000	£4,538,325	106.5%

Under ESFA funding rules, the College can expect to receive the lower of the final actual outturn or the funding allocation in each of the above categories. However, the ESFA has confirmed during the year that over-delivery against the AEB in 2018/19 would be funded up to 3% over the allocation and accordingly the accounts recognise funding of £4.389m as income.

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Funding for 16-19 Year Olds

Funding Category		Target (allocation) (ESFA contract)	Actual outturn (Final Claim)	Performance (%)
16-18 Learner- Responsive Funding	Learner Numbers	46	40	87%
	Funding Value	£221,765	£ 188,524	85%

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 recognised in funding allocations for future years.

Overall the College has once again performed well in the year, exceeding its funding target for the Adult Education Budget which forms the vast majority of its funding income.

Other Funding

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	%
2014/15	4,173	5,419	77%
2015/16	4,370	5,559	78%
2016/17	4,585	5,767	79%
2017/18	4,679	5,883	81%
2018/19	4,678	5,789	80%

The proportion of College income derived from direct grant funding has increased slightly each year during the five year period until the small decline in the current year. Nevertheless, the College remains committed to reducing its dependence on direct funding body grants where possible.

Student tuition fees decreased year on year from £655,000 in 2017/18 to £584,000 in the current year. 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 and, although these have generally not proved popular with learners, they contributed £42,000 of fee income in 2018/19 (2017/18 - £60,000).

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 Performance

The College is extremely pleased that not only has the number of learners following accredited courses increased in 2018/19, but their overall achievement has also increased significantly by 6.7 percentage points to 88.5%. For non-accredited learners, the performance has maintained the high levels of the previous year with a small improvement in the pass rate offset by a small reduction in retention, leaving the overall achievement rate down just 0.2 of a percentage point at 94.5%.

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Learner Numbers

In 2018/19, there were 4,568 learners and 9,538 enrolments in the College (2017/18 4,378 learners and 10,001 enrolments) mostly on part time courses ranging from one 2 hour session to a full 3 days per week. These figures include the learners enrolled in courses in the community, contracted to WMC by the Camden Adult Education Service. The learning delivered £4,611,000 of funding body income (2017/18: £4,600,000)

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

Accredited Learners (1,382 learners)

Year	Retention	Pass rate	Overall Achievement	Attendance
2017/18 Actual	91.3 %	89.6 %	81.8 %	87.1 %
2018/19 Target	92.0 %	90.0 %	82.8 %	88.0 %
2018/19 Actual	92.9 %	95.2 %	88.5 %	87.7 %
Percentage point change 2018/19 over 2017/18	+1.6	+5.6	+6.7	+0.6

Non-Accredited Learners (3,186 learners)

Year	Retention	Pass rate	Overall Achievement	Attendance
2017/18 Actual	95.7 %	98.9 %	94.7 %	89.8 %
2018/19 Target	95.0 %	99.0 %	94.0 %	90.0 %
2018/19 Actual	95.3 %	99.2 %	94.5 %	88.6 %
Percentage point change 2018/19 over 2017/18	-0.4	+0.3	-0.2	-0.3

The College exceeded its learner performance targets for 2018/19 in all aspects except attendance for both accredited and non-accredited learners and this will be a focus for improvement actions in 2019/20.

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 an "Outstanding" rating.

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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for the year ended 31 July 2019

STRATEGIC REPORT

FINANCIAL POSITION

Financial Results

The College is pleased to have generated a surplus on continuing operations for another year. The surplus of £511,000 for the year to 31 July 2019 (2018 - £856,000) represents 8.8% (2018 – 14.5%) of total income of £5,789,000. As a non-profit making charity without shareholders, the College aims to make a modest annual surplus in order to maintain working capital, enable investment in resources and protect the ongoing activity but does not intend to accumulate profit; the surpluses from the last four financial years is enabling the capital project under the accommodation strategy to be delivered without recourse to borrowings or significantly diminishing underlying reserves.

The College purchased £146,000 of new tangible fixed asset additions during the year, of which £55,000 was computer equipment and £91,000 related to other building improvements, furniture, fixtures and fittings. In addition a further £1,590,000 was invested in the capital heating and ventilation project and £55,000 in purchasing and preparing new HR and payroll software for implementation in the new year. At the end of the year, the College owned tangible fixed assets with a net book value of £7.572 million of which £5.587 million related to buildings, £163,000 related to computer and other equipment, fixtures and fittings and £1.822 million to the heating and ventilation asset and HR/payroll software under construction.

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 £138,000 during the year as well as appreciating in value by £413,000. The portfolio had a market value of £5.370 million at the balance sheet date.

Total comprehensive income in 2018/19, stated after investment gains, was £924,000 (2017/18: £1,131,000)

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 2019, general income and expenditure funds totalled £8,336,000 compared to the 2018 total of £7,873,000. The College also held restricted funds and endowments totalling £5,100,000 (2018: £4,639,000). 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.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial Plan

The College Governors approved a financial plan in July 2019 which sets objectives for the period to July 2021 and demonstrates financially how the College can expect to deliver its strategic plan and objectives.

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Treasury Policies and Objectives

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

Cash Flows and Liquidity

There was a net cash outflow for the year of £628,000 (2018: inflow of £703,000) as a consequence of the expenditure on the new heating and ventilation project. The underlying position from net operating activities was a cash inflow of £1,040,000 (2018: £870,000).

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 2019 the total loan principal outstanding was £886,000 (2018: £963,000), of which £558,000 is owed to Lloyds and £328,000 to Barclays.

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

Students continue to prosper at the College with overall achievement rates for the year of 94.5% for non-accredited learners and 88.5% for those on accredited courses. In responses to nationally benchmarked student surveys, learners continue to rate the College, their courses and their teachers very highly. 1,374 learners responded to the national benchmarking survey in which they were asked 81 questions about their experience of the College. In only one question did the resulting score fall below the national benchmark average. With the exception of "the Wi-Fi service is good" at 74% every question had an agreement rating of over 80%. In the "teaching and learning" section, 10 of the 13 questions had satisfaction scores in the top quartile with the other three in the second quartile. "I like my classes" scored 20 points above the national benchmark and "the teaching on my course is good" scored 14 points above the benchmark. In other sections "the course is well organised" scored 15 points above the national benchmark, "all learners respect each other" scored 18 points above the national benchmark and "I get help from my teachers and other College staff" scored 14 points above the national benchmark.

At the College's annual Celebration of Success night, 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.

Curriculum Developments

Curriculum teams continued to review and amend the course offer ahead of, and during, the year, 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. A new childcare course at level 3 was introduced successfully while courses in business admin and medical admin were discontinued and replaced with vocational courses more directly aligned to the current job market. Short courses providing an introduction to Quickbooks were trialled and will be offered again in 2019/20 alongside the introduction of some longer AAT courses commencing in September 2019. This has been well received by learners, evidenced in enrolment numbers.

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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 2018 to 31 July 2019, the College considers that it achieved this target for invoices where there were no disputed costs. The College incurred £872 in interest charges and late payment fees to four suppliers (2018: £nil) 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. During 2018/19 the learner services department was functionally reorganised and managerially realigned resulting, in 4 department staff and one senior manager leaving the College under redundancy. A reorganisation of the facilities team resulted in new roles and employment arrangements but no redundancies. In total the College incurred £85,000 of contractual costs and £6,000 of non-contractual costs through termination payments following structural reviews during the year.

Future Developments

The College expects to continue to review the curriculum it offers to ensure that it meets the needs of learners. In particular it will continue to ensure there are appropriate progression routes for learners on accredited courses. For 2019/20 the College has increased the offer in performing arts and in digital learning with a view to growing learner numbers in these areas. In addition the College proposes to offer community based courses in community locations through direct funding following the end of the contract with London Borough of Camden. The breadth of courses offered on Saturday is being increased for 2019/20 with more very short courses being provided for people to take a first step back into learning and for those with very limited time to commit initially.

With funding being devolved to the Greater London Authority from 2019/20, the College has been actively working with the Mayor's team to ensure that the importance and value of adult and community learning and the roles of institutes of adult learning are fully understood and appreciated by the further education team. This work is ongoing.

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.

Although all the Institutes of Adult Learning remained independent following the conclusion and implementation of the sector London Area Reviews, they 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 £5.172 million, principally related to building works completed in 2008 and 2012 in Phases 1 and 2 of the Accommodation Strategy. 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 £5.370 million at the balance sheet date plus short term deposits and cash holdings of £2.294 million, offset in part by long term debt of £0.886 million.

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Human resources comprise a staff base of 92 full-time equivalents, of whom 55 are teaching staff, with a headcount exceeding 200 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.

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 will also consider any risks which may arise as a result of a new area 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 Governor committee 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 Executive Management Group during 2018/19. 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 2018/19, 80% of the College's income was ultimately publicly funded and this level of requirement is expected to continue although the College does have an objective of reducing dependence on state funding. 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 autumn statement and comprehensive spending reviews 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; 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.

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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.
- 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.

2. Tuition Fee Policy

Government ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, WMC will seek to increase fees in accordance with the fee assumptions and also develop a range of studio and 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 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 a specialist designated institution.
- 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.

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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 increased use of external expertise to bring fresh ideas, new campaigns and an appropriate balance between traditional marketing and social media to promote 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; 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 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.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2019

The Education and Skills Funding Agency (ESFA) remains the College's principal funder, although this transfers to the Greater London Authority (GLA) from August 2019.

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 effectively developed.

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.

The Camden Adult Learning Partnership has emerged as an important group as it has been agreed that this will be used to plan and evaluate Community Learning for Camden. WMC has been central to this development, running a successful community event and actively participating in the partnership steering group.

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 and further student members. Staff and student bulletins and newsletters were produced during the year and the College Intranet is used to facilitate communication with staff.

The Principal hosted Learner Forums each term across both College sites and at a variety of times and dates 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.

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.

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.

WORKING MEN'S COLLEGE CORPORATION

MEMBERS' REPORT INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2019

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.

The College employs a 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 continually improve 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 2018 to 31 March 2019 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		£5,085
Total pay bill		£3,504,000
Percentage of total pay bill spent on facility time		0.15%
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 2019

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no post-balance sheet events to report.

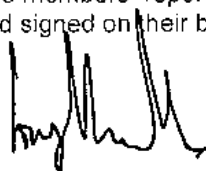
GOING CONCERN

After making appropriate enquiries, 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 11 December 2019 by:



Guy Shackle
Chair

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2019

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 2018 to 31 July 2019 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. However, 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 2019. 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 2019 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 2018-19

Corporation	3	Curriculum, Quality and Standards	3
Finance, Personnel & Devt	3	Search	1
Audit	3	Remuneration	1
Estates Strategy Group	2		

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2019

Governors (Appointed and Nominated) who served between 1 August 2018 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
Ahsan Akbar	12/07/2017	12/07/2017	3 Years		Appointed	F	3 of 3
Hortese Allen	11/07/2018	11/07/2018	1 Year	01/03/2019	Nominated Student	Q+	1 of 1
Kate Bell (Vice Chair)	21/03/2018	16/07/2008	3 Years		Appointed	A(Ch), R, S	1 of 3
Amanda Blinkhorn	21/03/2018	21/03/2018	3 Years		Nominated Tchng Staff	Q+	3 of 3
Romy Brandais	01/07/2019	01/07/2019	1 Year		Nominated Student	Q	1 of 1
Barbara Byrne	22/03/2017	11/12/2013	3 Years		Appointed	E, F(Ch), Q, R	3 of 3
Arianna Cariacciolo	01/07/2019	01/07/2019	1 Year		Nominated Student	Q	0 of 1
Jean Eshard	22/03/2017	10/12/2013	3 Years	01/03/2019	Nominated Bus. Staff	Q	1 of 1
Fran Fahey	03/04/2019	03/04/2019	3 Years		Appointed		2 of 2
Helen Hammond	01/12/2014	01/12/2014	Ex Officio		Principal	F, Q, S	3 of 3
June Jarrett	12/07/2017	12/07/2017	3 Years		Appointed	Q	2 of 3
Samata Khatoon	21/03/2018	21/03/2018	3 Years		Appointed	Q+	3 of 3
Monika Kinasiwicz	01/11/2019	01/11/2019	3 Years		Nominated Bus. Staff	Q+	n/a
Alexi Marmot	22/03/2017	11/12/2013	3 Years		Appointed	E(Ch), F, Q-	5 of 5
Gerry Munnely	03/07/2018	03/07/2017	1 Year	30/06/2019	Nominated Student	Q	1 of 2
David Offenbach	23/03/2016	17/10/2001	3 Years	03/04/2019	Appointed	E, F, S-	2 of 2
Chris Percy	03/04/2019	20/07/2016	3 Years		Appointed	A	2 of 2
Guy Shackle (Chair)	21/03/2018	21/03/2018	3 Years		Appointed	R, S, E, F+	3 of 3
Jon Sibson	03/04/2019	03/04/2019	3 Years		Appointed		2 of 2
Paul Smith	12/07/2017	12/07/2017	3 Years		Appointed	A	3 of 3
Paula Whittle	25/03/2016	15/07/2009	3 Years		Appointed	Q(Ch), R(Ch), S	2 of 3
Julian Woodfield	03/04/2019	03/04/2019	3 Years	09/09/2019	Appointed		2 of 2

+ 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 31 July 2019

During the year three new Appointed Governors and two new Nominated Student Governors joined the Board. One existing Appointed Governor was re-appointed for a further term and one Appointed Governor, one Nominated Staff Governor and two Nominated Student Governors stood down from the Board. One further Appointed Governor has resigned since the year end. Chris Percy was granted paternity leave during the Spring term 2019.

The Articles of Association for WMC Corporation were last amended and approved by the 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

Fellows are honorary appointments of between five and seven years, intended for former or retiring Governors, or other people who have served the College with distinction, or whose association may benefit the College. The Board reconsidered the role of "Fellows" at the July 2017 meeting. There was agreement to continue the role, but to re-define it and to approach former fellows and recently retired long-serving governors for their availability for a further or first term of office. This process has not been concluded but has progressed by way of Fellows and other recently retired long-serving Governors continuing to be involved with the College through contributions to a research project to update the written history of the College. Previous Corporation Fellows whose term has recently expired and are eligible for a further term are shown below:

Name	Date Appointed	Term of Office
Selwyn Midgen	31/03/2010	6 Years
Bipin Patel	30/03/2011	6 Years
Dame Ruth Silver	31/03/2010	6 Years
Baroness Janet Whitaker	31/03/2010	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 2019

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. In addition, during 2018/19, a "strategy session" was held in March 2019 to consider a new Strategic Plan 2019-2022 which was subsequently adopted in July 2019. Governors discussed how the College was placed for the next period given the achievements of the last Strategic Plan, the recent Ofsted Inspection, current investment in the building and changes to the operating environment with funding being devolved to the Greater London Authority and major infrastructure improvements in Camden.

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
- Estates Strategy Group (a sub-committee of FPDC)
- 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:
<http://www.wmcollege.ac.uk/pages/working-mens-college-governors.aspx>

The Governors receive no remuneration for their services, but are entitled to claim out of pocket expenses. £141 was claimed by one Governor for the year to 31 July 2019 (£448 in 2017/18, 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 2019

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 seven 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 2019 Board meeting, ahead of approving the report and accounts, which identified further improvements in governance arrangements at the College during 2018/19. Supported by the evidence in that paper plus the ensuing discussion, Governors self-assessed their performance as "Good".

Remuneration Committee

The Remuneration Committee comprises five Governors excluding the Accounting Officer. The Committee's responsibilities are 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 2019 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.

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.

During 2018/19 the College undertook a re-tender of external audit services and reappointed Buzzacott to the role for the financial statements to 31 July 2019. The internal audit service was retendered in 2017/18 and Scrutton Bland was appointed, commencing work from 1 August 2018.

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 and 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 2019

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 Financial Memorandum between the College and the Education and Skills Funding Agency. 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 2019 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 2019 and up to the date of approval of the Annual Report and Financial Statements. This process is reviewed at each meeting of the Audit Committee and reported to the next full Corporation meeting.

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 2019

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. The Audit Committee receives a report on risk management at each of its meetings. The report includes the latest extract of the College's risk register, as reviewed and updated by the wider College 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 2019 meeting the Corporation will carry out the annual assessment for the year ended 31 July 2019 by considering documentation from the EMG, Audit Committee and internal audit providers and taking account of events since 31 July 2019.

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 2019

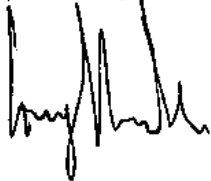
The Corporation also receives, in December, the Accounting Officer's Annual report on risk management which states the view that the College's practices have enabled it to effectively identify, evaluate and control risks in order to eliminate, reduce, contain or transfer them.

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*".

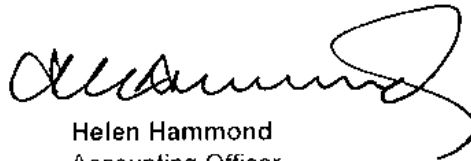
Going Concern

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 11 December 2019 and signed on its behalf by:



Guy Shackle
Chair



Helen Hammond
Accounting Officer

WORKING MEN'S COLLEGE CORPORATION

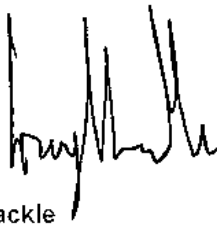
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 July 2019

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, the Corporation believes it is 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

11 December 2019

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNORS OF THE CORPORATION

for the year ended 31 July 2019

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 Financial Memorandum with the Education and Skills Funding Agency, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education and with the "College Accounts Direction 2018 to 2019" issued by the Education and Skills Funding Agency (ESFA) and which give a true and fair view of the state of affairs of the College and the result 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 the legal and administrative status of the College.

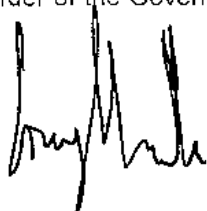
The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards and comply with the Companies Act 2006. 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 are used only in accordance with the Financial Memorandum with the ESFA and any other conditions that the ESFA may prescribe from time to time. 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 are not put at risk.

Approved by order of the Governors of the Corporation on 11 December 2019 and signed on its 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 2019

Opinion

We have audited the financial statements of Working Men's College (the 'College') for the year ended 31 July 2019 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 2019 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; 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKING MEN'S COLLEGE (continued) for the year ended 31 July 2019

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report including 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.

WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKING MEN'S COLLEGE (continued) for the year ended 31 July 2019

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, 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.

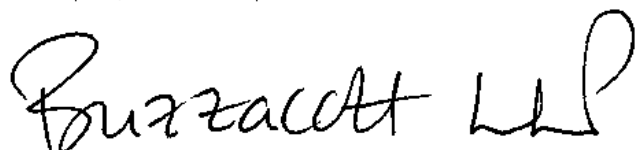
Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

13 December 2019

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 31 July 2019

In accordance with the terms of our engagement letter dated 31 May 2019 and further to the requirements of the Financial Memorandum with the Education and Skills Funding Agency, 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 2018 to 31 July 2019 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 Department for Education ("The Department"). 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) returns, for which the Department has other assurance arrangements in place.

This report is made solely to the Corporation of Working Men's College and the Department 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 Department 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 Department, 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 is 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 2018 to 31 July 2019 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 Department. 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 DEPARTMENT FOR EDUCATION

for the year ended 31 July 2019

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.

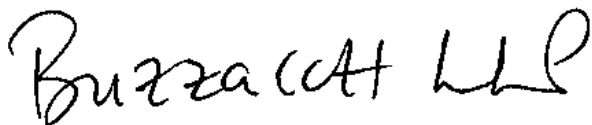
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the College's income and expenditure.

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 self-assessment questionnaire 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 2018 to 31 July 2019 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

13 December 2019

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 July 2019

	Note	2019	2018
		£'000	£'000
INCOME			
Funding body grants	2	4,678	4,679
Tuition fees and education contracts	3	851	939
Other income	4	112	131
Endowment and investment income	5	148	134
Total income		5,789	5,883
EXPENDITURE			
Cost of generating funds	14	17	
Staff costs	6	3,606	3,486
Fundamental restructuring costs	6	91	11
Other operating expenses	8	1,183	1,120
Depreciation	11	332	337
Interest and other finance costs	9	52	56
Total expenditure		5,278	5,027
Operational surplus before other gains and losses and before tax		511	856
Gains on listed investments	12	413	395
Loss on investment property	13	(10)	(120)
Surplus before tax		914	1,131
Taxation	10	-	-
Total Comprehensive Income for the Year		914	1,131
Represented by:			
Restricted comprehensive income		296	274
Endowment fund income		165	158
Unrestricted comprehensive income		453	699
		914	1,131

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 2019

	Income and Expenditure reserve		Restricted reserves		Endowments		Total reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2017		7,174		2,386		1,821		11,381
Surplus from the income and expenditure account	766		207		158		1,131	
Transfers between restricted and income and expenditure reserves	(67)		67		-		-	
Total comprehensive income for the year		699		274		158		1,131
Balance at 31 July 2018		7,873		2,660		1,979		12,512
Surplus from the income and expenditure account	527		222		165		914	
Transfers between restricted and income and expenditure reserves	(74)		74		-		-	
Total comprehensive income for the year		453		296		165		914
Balance at 31 July 2019		8,326		2,956		2,144		13,426

Included within restricted reserves at the balance sheet date is an amount of £181,986 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 2019

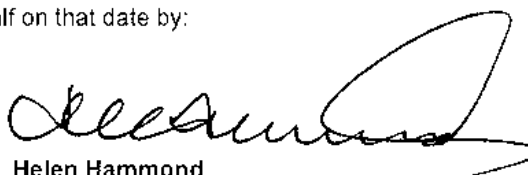
	Note	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Tangible fixed assets	11	7,572	6,113
Listed Investments	12	5,370	4,957
Investment Property	13	1,650	1,660
		<u>14,592</u>	<u>12,730</u>
CURRENT ASSETS			
Trade and other receivables	14	386	380
Cash and cash equivalents		2,294	2,922
		<u>2,680</u>	<u>3,302</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	15	<u>(1,467)</u>	<u>(995)</u>
NET CURRENT ASSETS		<u>1,213</u>	<u>2,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,805</u>	<u>15,037</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	16	<u>(2,379)</u>	<u>(2,525)</u>
TOTAL NET ASSETS		<u><u>13,426</u></u>	<u><u>12,512</u></u>
ENDOWMENTS			
Permanent	18	282	260
Expendable	18	<u>1,862</u>	<u>1,719</u>
		<u>2,144</u>	<u>1,979</u>
RESTRICTED RESERVES			
Restricted reserve		2,956	2,660
UNRESTRICTED RESERVES			
Income and expenditure account		<u>8,326</u>	<u>7,873</u>
TOTAL RESERVES		<u><u>13,426</u></u>	<u><u>12,512</u></u>

The financial statements on pages 33 to 51 were approved and authorised for issue by the Corporation on 11 December 2019 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 2019

	Note	£'000	2019 £'000	£'000	2018 £'000
Cash inflow from operating activities					
Surplus for the year			914		1,131
<u>Adjustment for non-cash items</u>					
Gains on investments			(403)		(275)
Depreciation	11		332		337
Increase in debtors	14		(6)		(90)
Increase/(decrease) in creditors due within one year	15		468		(4)
Decrease in creditors due after one year	16		(65)		(53)
<u>Adjustments for investing or financing activities</u>					
Investment income receivable	5		(138)		(128)
Interest receivable	5		(10)		(6)
Interest payable	9		(52)		(56)
Loss on disposal of tangible fixed assets			-		14
Net cashflow from operating activities			1,040		870
 Cashflows from investing activities					
Proceeds from sale of fixed assets		-		3	
Income from investments and endowments	5	138		128	
Other interest received	5	10		6	
Payments to acquire tangible fixed assets	11	(1,791)		(287)	
			(1,643)		(150)
 Cashflows from financing activities					
Interest payable	9	52		56	
Capital element of bank loan repayments	17	(77)		(73)	
			(25)		(17)
 (Decrease)/Increase in cash and cash equivalents in the year			(628)		703
 Cash and cash equivalents at 1 August			2,922		2,219
Cash and cash equivalents at 31 July			2,294		2,922

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 2019

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 2018-19 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 currently has £886,000 of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 10 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

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.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Recognition of income (continued)

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.

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

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Endowments and reserves (continued)

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, £2.577m of these related to funds connected with the College's former playing fields, including the sale proceeds. A further £182,000 represents the funds of the Francis Martin College Pfeiffer Trust scheme are held here and the remaining £197,000 relates to equipment reserves.

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	-	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.

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.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

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.

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.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

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 2019

2 FUNDING COUNCIL GRANTS

	2019 £'000	2018 £'000
Recurrent grants		
Education and Skills Funding Agency - adult	4,389	4,389
Education and Skills Funding Agency - 16-18	222	211
Specific grants		
Release of government capital grants	67	79
	<u>4,678</u>	<u>4,679</u>

3 TUITION FEES AND EDUCATION CONTRACTS

	2019 £'000	2018 £'000
Adult education fees	542	595
Fees for FE loan supported courses	42	60
Total tuition fees	<u>584</u>	<u>655</u>
Education contracts	267	284
	<u>851</u>	<u>939</u>

4 OTHER INCOME

	2019 £'000	2018 £'000
Property rental income	67	61
Other income	45	70
	<u>112</u>	<u>131</u>

5 ENDOWMENT AND INVESTMENT INCOME

	2019 £'000	2018 £'000
Income from restricted asset investments	74	67
Income from endowment and unrestricted investments	64	61
Other interest receivable	10	6
	<u>148</u>	<u>134</u>

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

6 STAFF COSTS

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

	2019 No.	2018 No.
Teaching staff	55	54
Non-teaching staff	37	38
	<u>92</u>	<u>92</u>

The total staff costs for the above persons were:

	2019 £'000	2018 £'000
Wages and salaries	2,920	2,887
Social security costs	247	234
Other pension costs (note 19)	333	332
Payroll sub total	<u>3,500</u>	<u>3,453</u>
Contracted out staffing services	106	33
	<u>3,606</u>	<u>3,486</u>
Fundamental restructuring costs - contractual	85	9
non-contractual	6	2
Total staff costs	<u>3,697</u>	<u>3,497</u>

There were no employees earning in excess of £60,000 who were not key management personnel

Fundamental Restructuring Costs

The 2018 and 2019 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

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 7 posts of Principal, Deputy Principal, Vice Principal, Assistant Principal, 2 Directors of Learning and the MIS Director. The Directors of Learning posts were redesignated as members of the Executive Management Group from 1 September 2018.

The post of Assistant Principal was made redundant at the end of April 2019 and the staff costs include compensation paid for loss of office.

	2019 No.	2018 No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>5</u>

Names of the key management personnel, their periods of employment and their fractional appointments are set out on page 2.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

7 EMOLUMENTS OF KEY MANAGEMENT PERSONNEL 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	
	2019 No.	2018 No.	2019 No.	2018 No.
£ 50,001 to £ 55,000 per annum	1	1	n/a	n/a
£ 55,001 to £ 60,000 per annum	2	-	n/a	n/a
£ 60,001 to £ 65,000 per annum	-	1	-	-
£ 70,001 to £ 75,001 per annum	1	1	-	-
£ 75,001 to £ 80,000 per annum	1	1	-	-
£ 80,001 to £ 85,000 per annum	1	-	-	-
£105,001 to £ 110,000 per annum	-	1	-	-
£110,001 to £ 115,000 per annum	1	-	-	-
	<u>7</u>	<u>5</u>	<u>-</u>	<u>-</u>

Key management personnel compensation is made up as follows:

	2019 £'000	2018 £'000
Salaries	516	372
Benefits-in-kind	-	-
	<u>516</u>	<u>372</u>
Pension contributions	63	41
Total key management personnel compensation	<u>579</u>	<u>413</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:

	2019 £'000	2018 £'000
Salaries	111	106
Benefits-in-kind	-	-
	<u>111</u>	<u>106</u>
Pension contributions	18	18

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 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 2019

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

	2019 £'000	2018 £'000
Principal's basic salary as a multiple of the median of all staff	4.2	4.1
Principal's total remuneration as a multiple of the median of all staff	4.2	4.1

Compensation for loss of office paid to former Key Management Personnel

	2019 £	2018 £
Compensation paid to 1 former post holder	9,217	-

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

	2019 £'000	2018 £'000
Teaching costs	110	122
Non-teaching costs	571	544
Premises costs	502	454
	1,183	1,120

Included in the total of other operating expenses are:

	2019 £'000	2018 £'000
Auditors' remuneration:		
Financial Statements and Regularity audit	19	20
Internal audit	25	-
Other services provided by the Financial Statements Auditor for		
Teachers' Pension audit	2	2
Hire of assets under operating leases	3	3
Losses/(gains) on disposal of assets	-	14

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

9 INTEREST AND OTHER FINANCE COSTS

	2019 £'000	2018 £'000
Interest payable on bank loans repayable wholly or partly in more than five years	52	56
	<u>52</u>	<u>56</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 2018	6,711	1,073	1,006	469	177	9,436
Additions	-	56	55	35	1,645	1,791
Disposals	-	-	-	-	-	-
At 31 July 2019	<u>6,711</u>	<u>1,129</u>	<u>1,061</u>	<u>504</u>	<u>1,822</u>	<u>11,227</u>
Depreciation						
At 1 August 2018	1,409	628	902	384	-	3,323
Charge for the year	131	85	76	40	-	332
Disposals	-	-	-	-	-	-
At 31 July 2019	<u>1,540</u>	<u>713</u>	<u>978</u>	<u>424</u>	<u>-</u>	<u>3,655</u>
Net book value						
At 31 July 2019	<u>5,171</u>	<u>416</u>	<u>83</u>	<u>80</u>	<u>1,822</u>	<u>7,572</u>
At 31 July 2018	<u>5,302</u>	<u>445</u>	<u>104</u>	<u>85</u>	<u>177</u>	<u>6,113</u>

Assets in the course of construction comprise £1.590m being the value of works to the balance sheet date on the replacement of the heating system and installation of a mixed mode ventilation system in the College's Crowndale Road site. The project is expected to finish in autumn 2019 with the heating system being operational for the winter 2019/20 season. The remaining £55,000 relates to the value of work at the balance sheet date on the purchase and implementation of a new HR and payroll software system. The HR modules are expected to "go live" in autumn 2019 with the payroll being live from the start of the 2020/21 tax year.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

12 LISTED INVESTMENTS

	Unrestricted Assets £'000	Endowment Assets £'000	Total £'000
Market value of listed investments			
At 1 August 2018	2,978	1,979	4,957
Appreciation of investments	248	165	413
Total portfolio value at 31 July 2019	3,226	2,144	5,370
 Cost of listed investments at 31 July 2019	 2,219	 1,437	 3,656
 Total net unrealised gains at 31 July 2019 included above	 1,007	 707	 1,714
 Analysis of total portfolio value			
Pooled investment vehicles			5,370

At 31 July 2019, 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	5,370	100%

13 INVESTMENT PROPERTY

	2019 £'000	2018 £'000
At 1 August 2018	1,660	1,780
Revaluation of investment property	(10)	(120)
At 31 July 2019	1,650	1,660

The College owns the freehold of the property immediately adjacent to the main college building in Crowndale

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

14 TRADE AND OTHER RECEIVABLES

	2019 £'000	2018 £'000
Amounts falling due within one year		
Trade receivables	40	66
Prepayments and accrued income	210	172
Other debtors	8	14
Amounts owed by funding bodies	128	128
	<u>386</u>	<u>380</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Bank loans (note 17)	81	77
Payments received in advance	145	135
Trade payables	650	216
Other taxation and social security	68	74
Accruals and deferred income	191	168
Deferred income - government capital grants	66	67
Amounts owed to funding bodies	200	191
Other creditors	66	67
	<u>1,467</u>	<u>995</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019 £'000	2018 £'000
Bank loans (note 17)	805	886
Deferred income - government capital grants	1,574	1,639
	<u>2,379</u>	<u>2,525</u>

17 MATURITY OF DEBT

	2019 £'000	2018 £'000
Bank loans are repayable as follows:		
In one year or less	81	77
Between one and two years	86	81
Between two and five years	287	272
In five years or more	432	533
	<u>886</u>	<u>963</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 2019

18 ENDOWMENTS

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2018	260	1,719	1,979
Appreciation of endowment asset investments	22	143	165
	<u>282</u>	<u>1,862</u>	<u>2,144</u>
At 31 July 2019			
Representing:			
Prize funds	94	-	94
Library funds	147	-	147
Other funds	41	1,862	1,903
	<u>282</u>	<u>1,862</u>	<u>2,144</u>
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2017	240	1,581	1,821
Appreciation of endowment asset investments	20	138	158
	<u>260</u>	<u>1,719</u>	<u>1,979</u>
At 31 July 2018			
Representing:			
Prize funds	87	-	87
Library funds	135	-	135
Other funds	38	1,719	1,757
	<u>260</u>	<u>1,719</u>	<u>1,979</u>

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 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 2016.

The total pension cost for the year was:

	2019 £'000	2018 £'000
Teachers' pension scheme - contributions paid	276	279
Group personal pension scheme - contributions paid	57	53
	<u>333</u>	<u>332</u>
Total pension cost for the year within staff costs (note 6)		

Contributions amounting to £ 42,000 (2018 - £ 47,000) for the TPS and £ 13,000 (2018 - £ 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 31 July 2019

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 and other educational establishments. Membership is automatic for teachers and lecturers in 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 2014. 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 2019/20 academic year and up to March 2021.

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 £ 276,000 (2018: £279,000)

20 FINANCIAL COMMITMENTS

	2019 £'000	2018 £'000
Capital commitments		
Contracted for but not provided at 31 July	930	1,852
Authorised but not yet contracted for at 31 July	43	-

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2019

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 £140 relating to one governor (2018 - £448 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 2019 was £2,313 (2018 - £1,933) 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

	2019 £'000	2019 £'000	2018 £'000
Unspent balance at 1 August		92	91
Repaid to EFSA in year		(45)	(46)
ESFA grants - Discretionary Learner Support		-	-
ESFA student financial support		-	-
Loans bursary fund		58	58
		<u>105</u>	<u>103</u>
Disbursed to Students	(1)		(1)
Administration costs incurred by the College	-		-
Area uplift re 24+ advanced learning loans	(7)		(10)
		<u>(8)</u>	<u>(11)</u>
Balance unspent at 31 July included in creditors		<u>97</u>	<u>92</u>

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.