

**Working Men's College
Corporation**

**Annual Report and Financial
Statements**

31 July 2024

Company number 00008894

Charity registration number 312803



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Reference and administrative information

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

Reference and administrative information

Bankers

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

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

Key Management Personnel

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

Company number 00008894

NATURE, OBJECTIVE AND STRATEGIES

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

Legal status

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

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

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

Mission, Strategic Plan and Values

Mission

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

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

Strategic Plan

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

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Strategic Plan (continued)

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

Members' report Year to 31 July 2024

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

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

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

Key Documents - WM College

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

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

In particular Ofsted stated:

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

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

Values

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

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Values (continued)

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

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

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Public benefit

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

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

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

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

Financial objectives

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Financial objectives (continued)

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

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

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

Investment Fund Objectives

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

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

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Investment Fund Objectives (continued)

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

Performance indicators

Ofsted Inspection:

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

The College's grades awarded by Ofsted were:

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

Grant Funding

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

Funding for Adults

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

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

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Grant Funding (continued)

Funding for 16-19 Year Olds

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

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

Other Income

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

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

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

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

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

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Learner Numbers

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

Learner Performance

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

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

Curriculum Developments

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

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

NATURE, OBJECTIVE AND STRATEGIES (continued)

Curriculum Developments (continued)

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

Accredited Learners

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

Non-Accredited Learners

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

Other External Performance Indicators

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

FINANCIAL POSITION

Financial results

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

FINANCIAL POSITION (continued)

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

Investments

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

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

Reserves

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

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

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

Treasury policies and objectives

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

Cash Flows and Liquidity

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

FINANCIAL POSITION (continued)

Long Term Loans

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

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

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2023 to 31 July 2024, the College considers that it achieved the majority of invoices processed with no disputed costs. There is one supplier with disputed costs but the College has not incurred any interest charges or late payment fees.

Restructuring

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

Future developments

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

FINANCIAL POSITION (continued)

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

RESOURCES

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

Financial

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

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

People

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

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

1. Government Funding

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

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

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

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

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

The risk is mitigated in a number of ways:

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

2. *Tuition Fee Policy*

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

The risk is mitigated in a number of ways:

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

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

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

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

The risk is mitigated in a number of ways:

The risk is mitigated in a number of ways:

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

4. *Cyber Security*

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

The risk is mitigated in a number of ways:

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

5. Health and Safety and Accessibility

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

The risk is mitigated in a number of ways:

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

STAKEHOLDER RELATIONSHIPS

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

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

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

STAKEHOLDER RELATIONSHIPS (continued)

Community Responsiveness and Employer Engagement

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

Educational Links

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

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

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

Staff and Student Involvement

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

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

TRADE UNION FACILITY TIME

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College. The following information relates to the period from 1 April 2023 to 31 March 2024 as required by the Regulations and is also made available on the College's website.

Relevant union officials

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

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

Percentage of pay bill spent on facility time

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

Paid trade union activities

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

Equality and Diversity Statement

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

Employment of disabled persons

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

Disability Statement

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

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

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

The aims of the College include:

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

EQUAL OPPORTUNITIES STATEMENT (continued)

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

Safeguarding and Prevent

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

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each Governor has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

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

Chair:

Joanna Davidson

11/12/24

Joanna Davidson

Statement of Corporate Governance and Internal Control 31 July 2024

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

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

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

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2015 as amended in 2019. The 2015 version was adopted in 2016, - the Remuneration addendum was adopted when added and then a more recent version was adopted on 04 July 2023. The 2023 version was adopted in July 2024 to come into force for the 2024/25 year and beyond.

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

Statement of Corporate Governance and Internal Control 31 July 2024

THE CORPORATION

Governors of the Corporation

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

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

Statement of Corporate Governance and Internal Control 31 July 2024

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

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

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

Statement of Corporate Governance and Internal Control 31 July 2024

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

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

Fellows of the Corporation

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

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

Current Fellows are:

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

The governance framework

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

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

Statement of Corporate Governance and Internal Control 31 July 2024

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

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

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

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

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

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

Appointments to the corporation

Any new member appointments to the corporation are a matter for the consideration of the corporation as a whole. The corporation has a search committee, consisting of four members of the corporation, which is responsible for the selection and nomination of any new member for the corporation's consideration. The corporation is responsible for ensuring that appropriate induction/ training is provided as required.

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

Corporation Performance

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

Statement of Corporate Governance and Internal Control 31 July 2024

Remuneration Committee

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

The Search Committee oversaw the appointment of the Chair.

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

Audit Committee

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

The Committee operates in accordance with written terms of reference approved by the corporation.

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

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

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

The Audit Committee also advises the corporation on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work if any commissioned as well as reporting annually to the corporation. No non-audit work was commissioned during the period.

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

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

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

INTERNAL CONTROL

Scope of Responsibility

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

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

The Purpose of the System of Internal Control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in WM College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

Statement of Corporate Governance and Internal Control 31 July 2024

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

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

Risks faced by the Governing Body

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

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

Control Weaknesses Identified

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

Responsibilities under Funding Agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024 (which has now been issued). The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required. Furthermore, the College has updated the terms of reference of the Finance Personnel and Development Committee and the Audit Committee to take account of the additional responsibilities accruing in consequence of ONS re-classification.

Statement from the Audit Committee

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

The specific areas of work undertaken by the audit committee in 2023/24 and up to the date of the approval of the financial statements are:

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

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

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

Review of Effectiveness

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

- The work of internal auditors and any additional external assurance providers;
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the College's financial statements auditors, the reporting accountant for regularity assurance in their management letters and other reports.

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

Statement of Corporate Governance and Internal Control 31 July 2024

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

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

Based on the advice of the Audit Committee and the Accounting Officer, the corporation is of the opinion that the college has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Approved by order of the members of the Governing Body on 11 December 2024 and signed on its behalf by:

Joanna Davidson



Chair of the Governing Body

Date: 11 December 2024

Dipa Ganguli



Accounting Officer

Date: 11 December 2024

Statement on regularity, propriety and compliance 31 July 2024

As Accounting Officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, propriety and compliance and the requirements of grant funding agreements and contracts with ESFA and GLA and has considered its responsibility to notify ESFA or GLA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the Corporation's grant funding agreements and contracts with the ESFA and GLA, or any other public funder. This includes the elements originally outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding non-compliance or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA or GLA.



Dipa Ganguli

Accounting Officer

Date: 11 December 2024

Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



Joanna Davidson

Chair

Date: 11 December 2024

Statement of governors' responsibilities 31 July 2024

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

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

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

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

The Corporation is also required to prepare a Strategic Report that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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

Statement of governors' responsibilities 31 July 2024

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

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


Joanna Davidson

Chair

Date: 11 December 2024

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

Opinion

We have audited the financial statements of Working Men's College Corporation (the 'College') for the year ended 31 July 2024 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves and balance sheets, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency)

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education (the 2019 FE HE SORP) and the Accounts Direction 2023 to 2024 issued by the ESFA;
- In all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Independent auditor's report on the financial statements 31 July 2024

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

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

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

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

Use of our report

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



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

Date: 17 December 2024

Independent Reporting Accountant's Report on Regularity

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

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

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

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

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

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

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

Approach

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL



Date: 17 December 2024

Statement of comprehensive income Year to 31 July 2024

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

Balance sheet 31 July 2024

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

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

Joanna Davidson
 Joanna Davidson
 Chair

Rajanguli
 Dipa Ganguli OBE
 Principal and Accounting Officer

Company number 00008894

Statement of changes in reserves Year to 31 July 2024

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

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

Statement of cash flows Year to 31 July 2024

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

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

Basis of preparation

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

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

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

Basis of accounting

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

Going concern

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

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

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

Recognition of income

Revenue grant funding

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

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

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

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment Income

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

Agency Arrangements

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

Accounting for post-employment benefits

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

Teachers Pension Scheme (TPS)

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

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

Group Personal Pension Scheme

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

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Tangible fixed assets

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

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

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

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

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

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

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

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

Assets under construction

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

Leased assets

Operating leases

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

Finance leases

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

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

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

Investments including endowment assets

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

Investment property

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

Cash and cash equivalents

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

Financial liabilities and equity

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

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

Endowments and reserves

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

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

Taxation

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

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

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying key accounting policies

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

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

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

Other key sources of estimation uncertainty

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of an asset and projected disposal values.

Notes to the Financial Statements Year to 31 July 2024

1 Funding body grants

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

2 Tuition fees

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

3 Other operating income

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

4 Investment income

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

5 Staff costs and key management personnel remuneration

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

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

Staff costs for the above person:

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

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Management Team which comprises the Principal, Deputy Principal, Vice Principal, two Directors of Learning, Director of Learner Services, and the Heads of Service..

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

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

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

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

Notes to the Financial Statements Year to 31 July 2024

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

* Includes staff who left / joined in year

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

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

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

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

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

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

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

Notes to the Financial Statements Year to 31 July 2024

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

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

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

Governors' remuneration

The key management personnel only receive remuneration in respect of services they provide undertaking their roles of principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Governing Body did not receive any payments from the College in respect of their roles as Governors (2023 – £nil).

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

6 Other operating expenses

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

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

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

Notes to the Financial Statements Year to 31 July 2024

7 Interest and other finance costs

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

8 Tangible fixed assets

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

9 Listed investments

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

Notes to the Financial Statements Year to 31 July 2024

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

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

10 Investment Property

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

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

11 Trade and other receivables

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

12 Creditors: amounts falling due within one year

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

*Accruals and deferred income exclude the holiday pay accrual

13 Creditors: amounts falling due after more than one year

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

14 Maturity of debt

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

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

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

Notes to the Financial Statements Year to 31 July 2024

15 Notes to cash flow statement

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

16 Analysis of changes in net debt

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

17 Commitments under operating leases

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

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

18 Capital commitments

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

19 Retirement benefits

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a multi-employer defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No defined benefit pension liability arises as a result of contributions to the Group Personal Pension Scheme.

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

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

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

Teachers' Pension Scheme

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

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

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

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

Valuation of the Teachers' Pensions Scheme

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

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

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

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

20 Events after the reporting period

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

21 Endowment funds

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

22 Related Party Transactions

Due to the nature of the College's operations and the composition of the Governing Body, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified during the year which should be disclosed.

23 Directors' and officers' liability insurance

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

24 Members' liability

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

25 Learner support funds

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

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

26 Commitments under finance leases

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

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