

**Working Men's College
Corporation**

**Annual Report and Financial
Statements**

31 July 2025

Company number 00008894

Charity registration number 312803



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Reference and administrative information

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

Reference and administrative information

Bankers

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

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

Key Management Personnel

Dipa Ganguli OBE - Principal and CEO, Accounting Officer

Korede Obasaju – Vice Principal

Diana Teesdale – Deputy Principal

Lisa Marklew – Director of Learning (to July 2025)

Ziya Moustafa – Director of Learning (to July 2025)

Caroline Poole – Director of Learner Services (to July 2025)

Julie Paterson – Head of HR

David Barnes – Head of Network and IT

Ayo Ajasin – Financial Controller (from October 2024)

Jenny Tyler – Head of Marketing (from September 2024)

Tracey Gleeson – Head of Facilities

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

LEGAL STATUS

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

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

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

A MESSAGE FROM WM COLLEGE PRINCIPAL/CEO

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

OUR VISION
Transforming lives through enriching and inclusive lifelong learning.

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

OUR VALUES

Learner Centred A determined focus to ensure our learners have the right skills and opportunities to achieve their potential. We listen to our learners and are flexible, adaptable and responsive to their needs.	Commitment to continuous improvement and excellence Commitment to removing barriers to learning and ensuring that we continually review what to do to improve the experience for our learners.	Respectful We are an open and welcoming college. We promote equity and celebrate diversity. We are understanding of each other's values, cultures, beliefs, and respect these in our interactions with each other.	Collaborative We value our partnerships with the local community and employers and strive to be agile in meeting their needs and working to common goals.
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The 2024-25 academic year was a landmark period for WM College, marked by a dual focus on celebrating our 170-year legacy and strategically positioning ourselves for the future. Simultaneously, we made decisive changes to ensure the College remains a relevant, sustainable, and high-quality educational provider for decades to come.

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

Year in Review: Highlights and Achievements

Celebrating our Legacy and Committing to Excellence

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

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

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

Strategic Realignment and Financial Strength

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

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

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

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

Infrastructure and Digital Security Enhancements

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

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

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

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

Addressing Challenges and Looking Ahead

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

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

MISSION, STRATEGIC PLAN, AND VALUES

Mission

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

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

Strategic Plan

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

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

- Develop digital competence of learners and staff

4. Financial sustainability

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

5. Fit for Purpose Estate

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

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

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

Key Documents - WM College

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

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

In particular Ofsted stated:

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

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

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

Values

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

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

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

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

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Public benefit

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

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

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

- Links with Local Enterprise/ Skills and Improvement Partnerships.

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

Financial objectives

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

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

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

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

Investment Fund Objectives

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

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

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

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

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

PERFORMANCE INDICATORS

Ofsted Inspection:

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

The College's grades awarded by Ofsted were:

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

Grant Funding

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

Funding for Adults

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

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

Funding for 16-19 Year Olds

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

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

Other Income

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

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

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

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

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

Learner Numbers

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

Learner Performance

In 2024/25 enrolment numbers were 2% lower than in 2023/24. Achievement rates for accredited courses, 87%, were slightly higher than last year (85%), whereas achievement on non-accredited courses, 92%, has decreased by 1% compared to last year (93%).

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

Curriculum Developments

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

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

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

Accredited Learners

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

Non-Accredited Learners

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

Other External Performance Indicators

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

FINANCIAL POSITION

Financial results

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

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

Investments

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

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

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

Reserves

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

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

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

Treasury policies and objectives

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

Cash Flows and Liquidity

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

Long Term Loans

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

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

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2024 to 31 July 2025, the College considers that it achieved the majority of invoices processed with no disputed costs.

Restructuring

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

Future developments

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

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

RESOURCES

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

Financial

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

People

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

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

1. Government Funding

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

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

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

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

The risk is mitigated in a number of ways:

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

2. Tuition Fee Policy

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

The risk is mitigated in a number of ways:

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

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

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

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

The risk is mitigated in a number of ways:

The risk is mitigated in a number of ways:

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

4. Cyber Security

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

The risk is mitigated in a number of ways:

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

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

5. Health and Safety and Accessibility

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

The risk is mitigated in a number of ways:

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

STAKEHOLDER RELATIONSHIPS

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

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

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

Community Responsiveness and Employer Engagement

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

Educational Links

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

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

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

Staff and Student Involvement

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

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

TRADE UNION FACILITY TIME

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College. The following information relates to the period from 1 April 2024 to 31 March 2025 as required by the Regulations and is also made available on the College’s website.

Relevant union officials

Number of employees who were relevant union officials during the relevant period: 2	Full-time equivalent employee number; 1
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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	£1,987
Total pay bill	£4,481,000
Percentage of the total pay bill spent on facility time,	0%

Paid trade union activities

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

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

Safeguarding and Prevent

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

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

Chair:

Joanna Davidson
10/12/25

STATEMENT OF CORPORATE GOVERNANCE

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. The College endeavours to conduct its business:

- i. in accordance with the Seven Principles of Public Life (also known as the Nolan Principles) identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- ii. in full accordance with the guidance to colleges from the Association of Colleges Further Education Code of Good Governance ('the Code') 2024 and
- iii. on 9 July 2025 adopted the updated and most recent version of the Code.

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

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

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

THE CORPORATION

Members of the Corporation

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

Statement of Corporate Governance and Internal Control 31 July 2025

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

Statement of Corporate Governance and Internal Control 31 July 2025

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

Committee Key:

A = Audit Committee

F = Finance, Personnel & Development Committee

C = Curriculum, Quality & Standards Committee

CH = Chairs Committee

Governors also attended a Strategy Day on 4 October 2025.

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

Fellows of the Corporation

Current Fellows are:

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

The Governance Framework

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

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

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

Statement of Corporate Governance and Internal Control 31 July 2025

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

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

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

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

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

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

Appointments to the Corporation

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

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

Corporation Performance

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

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

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

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

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

INTERNAL CONTROL

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Working Men's College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

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

The risk and control framework

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

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

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

Risks faced by the Governing Body

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

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

Control Weaknesses Identified

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

Responsibilities under accountability agreements

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

Statement from the audit committee

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

The specific areas of work undertaken by the audit committee in 2024/25 and up to the date of the approval of the financial statements are:

Internal audit reports in the following areas:

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

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

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

Review of effectiveness

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

- The work of the internal auditors
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- Comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their external auditor's auditor findings report (management letter)s and other reports.
- The regularity self-assessment questionnaire.

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

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

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

Statement of Corporate Governance and Internal Control 31 July 2025

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

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

Approved by order of the members of the Governing Body on 10 December 2025 and signed on its behalf by:

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

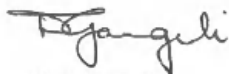
T. Jangali
Accounting Officer
Date: 10/12/25

Statement on regularity, propriety and compliance 31 July 2025

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

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

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



Dipa Ganguli

Accounting Officer

Date: 10 December 2025

Statement of governors' responsibilities 31 July 2025

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

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

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

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

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

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

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

Statement of governors' responsibilities 31 July 2025

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

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

Joanna Davidson

Joanna Davidson

Chair

15/12/25

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of the Corporation

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

Independent auditor's report on the financial statements 31 July 2025

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

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

Date: 11 December 2025

Independent Reporting Accountant's Report on Regularity

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

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

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

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

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Buzzacott Audit LLP

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

11 December 2025

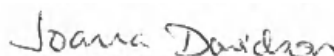
Statement of comprehensive income Year to 31 July 2025

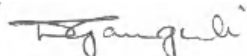
	Notes	2025 Total funds £'000	2024 Total funds £'000
Income:			
Funding body grants	1	6,448	6,267
Tuition fees	2	721	776
Other operating income	3	248	64
Investment income	4	145	140
Total		7,562	7,247
Expenditure:			
Staff costs	5	5,528	5,134
Fundamental restructuring costs	5	108	-
Other operating expenses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

Balance sheet 31 July 2025

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

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


 Joanna Davidson
 Chair
 Company number 00008894


 Dipa Ganguli OBE
 Principal and Accounting Officer

Statement of changes in reserves Year to 31 July 2025

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

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

Statement of cash flows Year to 31 July 2025

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

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

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

Basis of preparation

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

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

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

Basis of accounting

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

Going concern

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

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

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

Recognition of income

Revenue grant funding

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

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

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

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

Capital grant funding

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

Fee income

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

Investment Income

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

Agency Arrangements

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

Accounting for post-employment benefits

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

Teachers Pension Scheme (TPS)

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

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

Group Personal Pension Scheme

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

Short term employment benefits

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

Tangible fixed assets

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

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

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

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

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

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

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

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

Assets under construction

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

Leased assets

Operating leases

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

Finance leases

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

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

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

Investments including endowment assets

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

Investment property

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

Cash and cash equivalents

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

Financial liabilities and equity

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

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

Endowments and reserves

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

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

Taxation

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

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

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying key accounting policies

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

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

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

Other key sources of estimation uncertainty

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

Notes to the Financial Statements Year to 31 July 2025

1 Funding body grants

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

2 Tuition fees

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

3 Other operating income

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

4 Investment income

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

5 Staff costs and key management personnel remuneration

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

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

Staff costs for the above person:

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

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

A breakdown of the severance payments above is detailed below:

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

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

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

Key management personnel compensation

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

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

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

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

Notes to the Financial Statements Year to 31 July 2025

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

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

* Includes staff who left / joined in year

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

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

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

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

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

Notes to the Financial Statements Year to 31 July 2025

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

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

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

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

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

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

Governors' remuneration

The key management personnel only receive remuneration in respect of services they provide undertaking their roles of principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Governing Body did not receive any payments from the College in respect of their roles as Governors (2024 – £nil).

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

6 Other operating expenses

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

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

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

7 Interest and other finance costs

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

8 Tangible fixed assets

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

9 Listed investments

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

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

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

Notes to the Financial Statements Year to 31 July 2025

10 Investment Property

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

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

11 Trade and other receivables

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

12 Creditors: amounts falling due within one year

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

*Accruals and deferred income exclude the holiday pay accrual

13 Creditors: amounts falling due after more than one year

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

14 Maturity of debt

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

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

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

15 Notes to cash flow statement

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

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

16 Analysis of changes in net debt

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

17 Commitments under operating leases

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

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

18 Capital commitments

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

19 Retirement benefits

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

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

Notes to the Financial Statements Year to 31 July 2025

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

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

Teachers' Pension Scheme

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

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

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

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

Valuation of the Teachers' Pensions Scheme

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

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

Notes to the Financial Statements Year to 31 July 2025

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

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

20 Events after the reporting period

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

21 Endowment funds

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2024	336	2,210	2,546
Change in value of endowments	(45)	185	140
At 31 July 2025	<u>291</u>	<u>2,395</u>	<u>2,686</u>
Representing			
Prize funds	121	-	121
Library funds	123	-	123
Other funds	47	2,395	2,442
	<u>291</u>	<u>2,395</u>	<u>2,686</u>
	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>

22 Related Party Transactions

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

23 Directors' and officers' liability insurance

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

24 Members' liability

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

25 Learner support funds

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

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

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

Notes to the Financial Statements Year to 31 July 2025

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

26 Commitments under finance leases

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

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