

The Camden College

REGISTRAR OF COMPANIES

**WORKING MEN'S COLLEGE
CORPORATION**

(A company limited by guarantee and not having a share capital)

**Report and Financial Statements
For the Year Ended 31 July 2011**



Company Registration Number (England and Wales) 8894
Charity Registration Number 312803

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The Board of Governors' Operating and Financial Review

The Board of Governors, who are directors for the purposes of the Companies Act and trustees for the purposes of the Charities Act, hereinafter referred to as the Corporation, present their Annual Report and Financial Statements of the Working Men's College Corporation (the College) (WMC) for the year ended 31 July 2011

Nature, Objectives and Strategies

Legal Status

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI) 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 Department for Business, Innovation & Skills (DBIS), the Department for Education (DFE), the Skills Funding Agency (SFA) and the Young People's Learning Agency (YPLA). The College is also subject to the requirements of the Companies Acts and the Charities Act.

The College's financial affairs are governed by a Financial Memorandum with the SFA. 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 is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act (ICTA) 1988. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains covered by the relevant legislation, provided that they are applied to exclusively charitable purposes.

Mission

To be a learner-centred college dedicated to widening access to education for all, that will provide 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.

Objectives

Working Men's College aims to

- Provide an outstanding education for adults, in which all learners can achieve their personal, educational and training goals and maximise their potential
- Offer a modern, comfortable and secure environment for learning which provides learners with the facilities they need to study effectively
- Provide opportunities for local residents to improve their language, literacy and numeracy skills in a number of contexts including work to enable them to access services more effectively, gain employment and improve their standard of living
- Provide a broad range of learning activities which support learners' personal development and enhance their social, linguistic, technical and artistic skills

- Provide an inclusive learning environment with all the necessary support to promote equality of opportunity, openness, freedom of expression and social responsibility and remove barriers to participation, particularly for those who have failed to benefit from educational opportunities in the past
- Meet the needs of the local communities, with programmes which promote community cohesion and help to address the problems of disadvantage and deprivation
- Work in partnership with the London Borough of Camden, other colleges and providers, local voluntary organisations, funding bodies and others who share our goals
- Work with local employers to ensure local people can meet the demands of a skills-based economy, and work with local people to ensure they can get the skills needed to get local jobs
- Recognise the contribution of its staff and associates in fulfilling its aims
- Celebrate its unique history, while finding new ways to pursue its founders' aims into the 21st century

Strategic Planning

The College produced a three-year development plan for the period 2009-12, which was approved by the Corporation in April 2009. The College's key priorities to 2012 are set out below. Work has now commenced on preparing a new strategic plan covering 2011-14.

- To further improve quality of provision to a consistently outstanding standard throughout and make full use of the opportunities that Beacon status will afford for further improvement
- To increase the volume and quality of provision that ensures social inclusion and community cohesion, particularly through providing the English language skills necessary for everyday communication
- To increase the volume and quality of a curriculum offer that enables local people to acquire and remain in employment (particularly in King's Cross), either through direct vocational learning or through progression to higher education
- To maintain a liberal arts offer that enriches the lives of local people and enables progression in and out of the more vocational offer
- To further extend outreach work including provision of educational advice and guidance in the community and the workplace so that more local adults can benefit from the full range of provision offered by the College
- To increase student involvement, community engagement and further improve promotion of equality and diversity so that our curriculum offer as a whole enables local people to fully participate personally, socially, economically and politically in the local community
- To increase the number of learners across the College whose language, literacy and numeracy needs are met by the College so that they can achieve their learning goals, and, irrespective of whether it is required by the course, to encourage all learners to take up opportunities to improve their language, literacy and numeracy skills up to a functional level

- To lessen our dependence on mainstream SFA funding, diversifying as much as possible while remaining true to the College aims and mission
- To ensure that all our staff are of the highest standard and are fully qualified in their relevant disciplines, and that appropriate staff development is available for all of them to maximise their highest standards
- To complete Phase 2 of the College's Accommodation Strategy which will create a new entrance and bring the whole building up to a high standard
- To maintain the College's long-term financial health

The College is making good progress towards all these objectives

Ofsted last inspected the College in June 2008. The College's grades are summarised below

• Effectiveness of Provision	Good
• Capacity to improve	Outstanding
• Achievement and Standards	Good
• Quality of Provision	Good
• Leadership and Management	Outstanding
• Equality of Opportunity	Outstanding
• Subject Information & Communications Technology	Good
• Subject Visual Arts	Good
• Subject English for Speakers of Other Languages	Outstanding

The College was granted Beacon status in January 2009 by the Minister for Further Education

The College is expecting its next Ofsted inspection during the academic year 2011/12 and has commenced detailed planning for it on that basis

Accommodation Strategy

Phase 1, 2006-08

The College developed an accommodation strategy in 2005, and phase 1 of this was implemented during 2006-08. The cost of the phase 1 capital works was £4.7m, funded by LSC grants totalling £1.3m, the College's own reserves of £2.0m, and a long term loan of £1.4m. It provided

- A new building at the rear of the College providing a café and library for students
- Refurbishment of the old gymnasium to provide four new specialist classrooms
- Providing internal accessibility to Disability Discrimination Act (DDA) standards
- Two new lifts
- New energy-efficient boilers

Phase 2 and External Maintenance Works, 2008-11

Following an unsuccessful bid in 2008/09, the College was granted Renewal Grant and Enhanced Renewal Grant funding by the SFA in September 2010. There are two parts to the works

External Maintenance Works (Revenue) The total cost will be £555k, of which £225k is provided by the SFA's Renewal Grant, and the remainder from College reserves. The works include

- Reconstruction and repair of chimney stacks
- Sealing and repair of the library roof, gutters and flat roofs
- Renewal and repair of windows.
- Cleaning and repairs to brickwork and stonework, including work to prevent any further decay

Accommodation Strategy phase 2 (Capital) The total cost will be £1,448k, of which £427k is provided by the SFA's Enhanced Renewal Grant, and the remainder from college reserves. The works include

- A new main entrance incorporating proper disabled access and a new reception area
- New roof space offices for staff
- Two classrooms occupied by staff to be refurbished and returned to teaching
- More internal linking between different levels within the College
- Repairs to the boundary wall

Both parts of the works are well advanced. Completion was planned for August 2011, however there have been delays. The works are currently expected to be completed in December 2011.

Camden ITEC

Camden ITEC, a training organisation based in Kentish Town catering primarily for disadvantaged 14-18 year-olds, approached WMC for assistance in early 2010, as they had suffered losses for several years and were in financial difficulties. After negotiation and due diligence, WMC nominated 4 trustees to the ITEC Board, who were appointed on 9th August 2010. WMC agreed to provide management support for ITEC and to invest up to £100k to stabilise its financial position. ITEC's chief executive and one other manager were made redundant as part of the deal.

ITEC's financial position was even worse than expected. Although the quality of delivery was good, financial controls and procedures for recording student activity, claiming and invoicing were all poor. Under management support from WMC, ITEC improved its financial controls, record keeping and invoicing, agreed development plans and began to pay back its debts. It also made modest improvements to its premises. WMC loaned ITEC IT equipment to replace some of its computers which were extremely old. WMC agreed a plan to turn round ITEC within two years, and to that end increased its investment in March 2011 to £225k.

In April 2011, however, the Government announced that its Young Apprentices programme, which had formed the core of ITEC's business for several years, would end with Cohort 7 in July 2012. This made the viable future of ITEC dependent on acquiring new contracts through a number of funding bids which it made during May and June 2011. However, the majority of those bids were not successful.

On 13th July 2011 the WMC Board received a request from the ITEC Board to increase the value of its loan to give it more time to find new funding sources. However, the WMC Board decided it could not afford to do so. Without the increased loan the ITEC Board was unable to agree a balanced budget and called in liquidators on 14th July 2011.

The WMC loan to ITEC totalling £209,657 is not recoverable and is accordingly written off in these financial statements.

General Financial Objectives

The College's general financial objectives were last revised in 2009/10 and are as follows:

- To maintain
 - Cash days greater than 25
 - A current ratio greater than 1.6:1
 - An operating surplus greater than 3% of income
 - Borrowing less than 30% of total reserves plus debt
 - General reserves greater than 100% of income
- To achieve SFA financial health category Outstanding, and to return to category Outstanding within 3 years of any major capital works programme

In 2010/11, 4 out of 6 of the financial objectives were met, as follows:

	Outcome	Met
- Cash days greater than 25	113	Yes
- A current ratio greater than 1.6:1	3.44	Yes
- An operating surplus greater than 3% of income	1.40%	No
- Borrowing less than 30% of total reserves plus debt	17.2%	Yes
- General reserves greater than 100% of income	80.8%	No
- Financial health category	Outstanding	Yes

The College's cashflow was higher than expected due to the delayed completion of the phase 2 accommodation strategy works. However, the exceptional costs of major maintenance works during the year and the written-off loan to Camden ITEC resulted in a reduced surplus.

Investment Fund Objectives

The College's investment fund financial objectives were last formally revised in 2009/10 and are as follows:

- To review fund management objectives regularly
- To achieve a balance between income and capital growth
- To achieve a total return of inflation +4%

- To seek to invest the funds in the following proportions
 - The first £500k in an appropriate cash deposit
 - The remainder in Newton's Global Growth and Income Fund for Charities

On 11th November 2010 the College instructed the sale of £800k of long term investments in order to fund the accommodation strategy. The cash was placed in a Northern Rock deposit account.

At 31st July 2011, the proportions of investments by type were as follows

- 100% (£3,009k) in the Newton Global Growth & Income Fund for Charities
- 0% (£112) in a short-term fixed interest rate deposit

Performance Indicators

SFA and YPLA Funding

In 2010/11 the College's expected performance against the Skills Funding Agency's and Young People's Learning Agency's revenue and learner number targets is set out below

Funding Category		Target (SFA/YPLA contract)	Outturn (Final Claim)	Difference (%)
16-18 Learner- Responsive Funding (YPLA)	Learner Numbers	2	4	+100%
	SLNs ¹	1	1	0%
	Funding Value	£2,291	£4,693	+105%
	ALS ²	£500	£1,024	+105%

Adult (19+) Learner- Responsive Funding (SFA)	Learner Numbers	2,785	2,958	+6.2%
	SLNs ¹	740	809	+9.3%
	Funding Value	£3,012,543	£3,103,750	+3.0%
	ALS ²	£185,932	£170,112	-8.5%

Adult (19+) Safeguarded Learning Funding (SFA)	Funding Value	£229,549	£229,549	0%
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Total	Learner Numbers	2,787	2,962	+6.3%
	SLNs ¹	741	810	+9.3%
	Funding Value including ALS ²	£3,430,815	£3,503,412	+2.1%

1 Standard Learner Numbers approximately a full-time equivalent

2 Additional Learner Support

Overall the College is delivered 8.7% in excess of its original contracted funding value for 2010/11. It outperformed its contract in respect of both young people and adults. In December 2011 the SFA granted the College an additional £206,697 for 2010/11 in respect of its contract overperformance (included in the table above).

Once again, the College has expanded its teaching. See the table below.

Year	SLN Target	Delivery SLN	Diff %
2005/06	735	765	+5%
2006/07	677	669	-1%
2007/08	689	703	+2%
2008/09	682	714	+5%
2009/10	758	749	-1%
2010/11	741	810	+9%

The table below shows the efficiency of our total provision in terms of its funding, by comparing total funding received excluding ALS per SLN delivered over the past four years. Overall the rate we have received per SLN has continued to fall back after a sharp rise in 2006/07.

	Total contract funding per SLN delivered:				Difference %:
	2007/08	2008/09	2009/10	2010/11	09/10 - 10/11
Total excluding ALS	£4,347	£4,249	£4,060	£4,006*	-1.3%*

* including additional £206,697

This reflects a general tightening over the last three years of funding contracts and rates. Also, in 2009/10 and 2010/11 we delivered outturns in excess of contract. WMC has faced significant reductions in rates over the past year, particularly for Skills for Life, and these are set to continue. They will require us to continue to increase in our funding efficiency.

Other Funding

The table below shows the proportion of the College's income received in the form of direct funding council grants.

Year	Direct Grants	Total Income	%
2005/06	£3,177k	£3,698k	86%
2006/07	£3,009k	£3,724k	81%
2007/08	£3,259k	£4,113k	79%
2008/09	£3,276k	£4,323k	76%
2009/10	£3,273k	£4,647k	70%
2010/11	£3,474k	£4,508k	77%

In 2010/11 the College's progress in diversifying its funding has been reversed, with grant funding rising from 70% to 77%. This reflects the fact that contracts for Train to Gain, Skills for Jobs, Response to Redundancy and Personal Best all ended during the year, without replacement projects. All of these were SFA funds, subcontracted through third parties.

Overall, the value of the College's education contracts fell from £686k to £316k, a fall of - 54%. However, fees continued to increase, from £471k to £494k, a rise of 5%

Student Performance

The College's students have had another very successful year

The 2010/11 retention rate aggregated for all SFA funded courses was 92.1% (target 90.5%), a rise of 1.1% since 2009/10

The achievement rate aggregated for all SFA funded courses was 93.8% (target 90.0%), a rise of 4.5% since 2009/10

The success rate was 86.4% (target 81.5%), a rise of 6.4% since 2009/10

Financial Position

Financial Results

The College generated a healthy surplus on continuing operations for the year to 31 July 2011 of £485,427. This compares with a surplus on continuing operations of £377,409 for 2009/10

Despite considerable pressure on the College's finances it has been able to generate an operating surplus for the eighth year in succession

However, the College had two exceptional costs during the year. It paid a net £212,064 towards major maintenance works. It also wrote off a loan of £209,657 to Camden ITEC. The result was a reduced operating surplus of £63,706 (2009/10 £291,853)

Tangible fixed asset additions during the year totalled £562,413 (2009/10 £151,670). Most of this related to buildings in the course of construction, part of the phase 2 accommodation strategy. See Note 9 and the section on the accommodation strategy above

Investments

The worldwide conditions for financial markets continued to improve during 2010/11 after an extremely tough 2008/09 and a partial recovery in 2009/10. The College's investment portfolio produced net realised gains of £10,820 (2009/10 £172,342) and net unrealised gains of £239,257 (2009/10 £46,538). The college made net disposals of £800,000 from its investments during the year. See Note 10

Reserves

As at 31 July 2011, general funds totalled £3,557,878 (2009/10 £3,399,446)

In addition, the 150th Anniversary Appeal Fund, for the future development of the College, totalled £84,915 (2009/10 £83,775)

The College also held restricted funds and endowments totalling £2,837,110 (2009/10 £2,682,899) These funds have been given to the College for particular purposes specified by donors, therefore are not available to the Corporation for general use

Cash Flows

Operating cash flow was positive for the year, at £955,165 (2009/10 £13,687) £800,000 of cash inflow was from sales of long term investments

Long Term Loans

The College has two existing loans one with Lloyds TSB for £1,000,000, drawn down in July 2007, and the other with Barclays for £500,000, drawn down in July 2008

At 31st July 2011 the total loan principal outstanding was £1,393,247 (2009/10 £1,425,787), of which £893,247 is owed to Lloyds TSB and £500,000 to Barclays (see Note 12b)

Post-Balance Sheet Events

None

Current and Future Development and Performance

Curriculum Development, Management and Staff Restructuring

Restructuring

During the early part of 2011 the College underwent a significant restructuring in order to help it meet its future challenges The curriculum was reorganised into four new programme areas

- ESOL
- Arts and Humanities
- Vocational and Foundation Programmes (including ICT, Business, Childcare, Literacy & Numeracy)
- Business Development (including Employer Engagement, Project Funding and Apprentices)

Additionally, the Student Support department was expanded to include Student Services, and structural changes were made to prepare the College to take full advantage of the opportunities afforded by its new entrance and reception area

Curriculum Changes in 2010/11

Provision covers the full range of levels from entry (mainly Skills for Life) to level 4, with a significant volume of accreditation and well-mapped progression routes

2010/11 was a year of pushing through efficiency savings, through increased class sizes, decreased teaching hours, and many fewer courses with free concessionary places

These changes were successfully achieved, and we have managed to maintain the size of the ESOL, literacy and numeracy programmes and to increase some areas of the Arts provision. By re-introducing a revised version of Business Administration we have achieved some growth in Vocational programmes.

Contracts for Train to Gain, Skills for Jobs, Response to Redundancy and Personal Best all ended during the year, without replacement projects. The result was that this provision declined and projected income was not achieved. Many potential students who could have been supported into work have been disadvantaged by this change.

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 2010 to 31 July 2011, the College achieved this target for invoices where there were no disputed costs. The College incurred no interest charges in respect of late payment for this period where the invoice had been received on time by the College.

Resources

The College has the following significant resources which it can deploy in pursuit of its strategic objectives:

- Tangible resources totalling £5,299,172, principally related to the new buildings completed in 2008 in Phase 1 of the Accommodation Strategy
- Investments and endowments totalling £3,051,756
- Long term debts (>1 year) of £1,345,325
- A staff base of 79 full-time equivalents, of which 48 are teachers. We are continuing to invest in the professional development of our staff.
- A strong reputation locally, based on the quality of our services, the breadth of our community involvement and the continuing interest in our long and distinguished history.

Principal Risks and Uncertainties

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Risk Management Group (RMG) undertakes a termly review of the risks to which the College is exposed. This information is held in a Risk Register.

The Risk Register identifies the key risks, 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. The register also identifies systems, procedures and actions which should mitigate any potential impact on the College. The

internal controls are then implemented and the subsequent meeting of the RMG will check their effectiveness and the progress made

The Risk Register is also reviewed termly by the Audit Committee

Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the Risk Management Group in June 2011. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College

Funding

- Shortfall against SFA contract caused by failure to make necessary efficiency gains
- Shortfall against SFA contract caused by restrictions of phase 2 building works
- Failure to tap new markets to deliver required learner numbers for 2011/12

Finance

- Poor financial outturns caused by failure to make the necessary changes to deal with likely funding cuts over the next 3 years
- Failure to recover investment in Camden ITEC

Quality

- Failure to retain learners

Infrastructure

- Failure of electronic systems during phase 2 building works
- Significant overrun of phase 2 building works in cost and/or time
- Insolvency of phase 2 building works contractor

Reputation

- Reputational damage if Camden ITEC fails
- Serious adverse publicity or scandal

Innovation & Development

- Failure to innovate, find new contracts and funding streams and exploit existing funding streams
- Failure to establish an apprenticeships programme

Stakeholder Relationships

The Working Men's College has an extensive range of relationships with local people and groups. These include our students and staff, funding bodies, especially the Skills Funding Agency, the London Borough of Camden, a range of local employers, local community groups, the other SDIs, especially the three based in London, and local FE colleges

Community Responsiveness and Employer Engagement

WMC has been implementing a successful community engagement strategy for many years, we have established provision at 24 local outreach venues, and built a number of proactive partnerships and close working relationships with the voluntary and community sector in central Camden. The community provision continues to take provision to students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. LAA and LDA funding has enabled us to engage community and refugee organisations as our delivery partners. These working relationships help identify and target disadvantaged learners in Camden.

The focus for our work is on ensuring local people have the opportunity to gain local employment and to this end we have been targeting the public sector, in particular Camden Council and Primary Care Trust, the King's Cross redevelopment and projects coming from the voluntary and community sectors. We also work with a wide range of voluntary and other organisations which provide specialist support to students to build self confidence and facilitate progression to work related training and employment, e.g. Camden Mind and Camden Carers.

A range of key contracts including Response to Redundancy, Skills for Jobs, Personal Best and Camden's LAA funded employability work all came to an end mid-year, and this has had a negative impact on our previously thriving employer engagement activity. However we have maintained close communication and have built new employer relationships due to our involvement with the ITeC project, and are optimistic about rebuilding this provision as we identify alternative funding.

Educational Links

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

The SFA (Skills Funding Agency) is our principal funder.

The London 4 group of SDIs – the Working Men's College, the Mary Ward Centre, City Lit and Morley College – have a very long standing partnership which is used in a variety of constructive ways to address national, regional and local priorities.

Middlesex University has a partnership with the College to deliver our Foundation Degree, enabling students to progress to Middlesex to complete the work to obtain an Honours degree.

We work in partnership on projects with City of Westminster College and the Skills Development Agency (Apprentices).

Staff and Student Involvement

The College considers good communication with staff and students to be vital.

The Corporation includes three staff members and two student members, and Quality and Standards Committee includes all academic managers and three student members. Staff and

student bulletins and newsletters, are produced regularly, and the College Intranet is used to facilitate communication with staff. Most of the working parties and development groups within the College include staff and student representation. Sometimes it is difficult to secure the level of staff and student participation that is desirable because of the high proportion of teaching staff and students who are part-time.

The College has a well-developed student involvement policy, with a set of Student Representatives who are widely involved in College events, and meet regularly with College managers to give student feedback.

Equality of Opportunity

The College's Policy on Equal Opportunities meets the requirements of the Race Relations Amendment Act 2000, Disability Discrimination Act 2005 and the Sex Discrimination Act as amended by the Equality Act 2006. WMC takes active steps to promote positive equality of opportunity in all aspects of its operations and the removal of discrimination within the college. WMC is strongly committed to inclusive education and addressing the needs of students. The College's Equal Opportunities Policy is published on its web site.

The College is committed to promoting equality of opportunity in all aspects of its operations. It recognises its legal responsibilities and is committed to taking all reasonable steps to ensure there is no discrimination against any student, member of staff or the public, on the grounds of race, disability, gender, religion/belief, sexual orientation and age. Monitoring systems have been introduced and performance targets identified. The College has established an Equality & Diversity Forum to progress this work.

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 for other employees.

Disability Statement

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

As part of its commitment to Inclusive education and equality of opportunity the College welcomes students with learning difficulties and disabilities. We endeavour to be flexible and match the learning support to each student's individual needs as set down in the Disability Discrimination Act 2005.

The aims of the College include

- identifying and responding to individual student needs, to continually improve students' learning experience
- ensuring all students achieve their full potential through the provision of a high quality student centred learning environment

- actively promoting equality of opportunity for all students
- ensuring appropriate steps are taken to guarantee that a disabled student is not placed at a substantial disadvantage in comparison with a student who is not disabled

This statement outlines the application process prospective students, carers and helpers should use when applying for a place at the College, and explains how to find out whether the College can support specific needs

Scope

If a student has a learning difficulty or disability, they may be entitled to extra support to help achieve their learning goals. Examples of disabilities include, but are not restricted to

- physical disability
- hearing impairment
- visual impairment
- specific learning difficulty such as dyslexia
- learning difficulty
- mental health
- chronic conditions such as ME

Signed on behalf of the Corporation

Date 14, 12, 2011

Chair



Tom Schuller

Professional Advisors

Financial Statements & Regularity Auditors	Internal Auditors
Buzzacott LLP 130 Wood Street London EC2V 6DL	MacIntyre Hudson New Bridge Street House 30-40 New Bridge Street London EC4V 6BJ
Investment Managers	Solicitors
Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA	Bates, Wells & Braithwaite 138 Cheapside London EC2V 6BB
Loan Finance	Loan Finance
Barclays Commercial Bank Level 28 1 Churchill Place London E14 5HP	Lloyds TSB Bank 25 Gresham Street London EC2V 7HN
Bankers	Surveyors
Barclays Commercial Bank Level 28 1 Churchill Place London E14 5HP	Hamson Hayworthe House, Market Place Haywards Heath West Sussex RH16 1DB
Engineers	Engineers
Norman Bromley Partnership LLP Bridge House, 97-101 High Street Tonbridge Kent TN9 1DR	Glanville 575-599 Maxted Road Hemel Hempstead Hertfordshire HP2 7DX
Project Advisor	Architects
Michael Mitchell 71 Durham Road London N2 9DR	Paul Murphy Architects The Foundry 7 Glenthorne Mews London W6 0LJ
Quantity Surveyors	Tax Advisors
Fanshawe 52-58 Tabernacle Street London, EC2A 4NJ	Davies Mayers Barnett Pillar House 113-115 Bath Road Cheltenham, Glos GL53 7LS

Statement of Corporate Governance and Internal Control

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the revised Combined Code on Corporate Governance issued by the London Stock Exchange in July 2003. Its purpose is to help the reader of the Financial Statements understand how the principles have been applied.

In the opinion of the Corporation, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2011.

Governors of the Corporation

The governors who served on the Corporation during the year ending 31st July 2011 and up to the date of signature of this report are listed below. Resignations and appointments during the year are indicated by *

Name	Date of (Re-) Appointment	Date First Appointed	Term of Office	Date of Resignation	Status of Appointment	Committees
Margaret Alexander	31/03/2011	16/03/2005	3 Years		Appointed	A, Q(Ch), S
Kate Bell (Vice Chair from 31/03/2010)	07/07/2010	16/07/2008	2 Years		Appointed	F, R, S
Barbara Burman	07/07/2010	16/07/2008	3 Years		Appointed	Q
Les Coupland	31/03/2011	31/03/2010	1 Year		Nominated Student	A, Q
Lucy de Groot (Vice Chair)	07/07/2010	28/03/2007	2 Years		Appointed	F, R, S
Nigel Franklin	07/07/2010	Pre-31/12/1991	3 Years		Appointed	F, Q
Satnam Gill	01/02/1999	01/02/1999	Ex Officio		Principal	F, Q, S
Famil Guliyev	12/12/2007	14/12/2004	3 Years	15/12/2011	Nominated Bus Staff	-
Ruth Hawthorn	31/03/2011	24/03/2004	3 Years		Appointed	Q
Hugh Ifill	31/03/2011	31/03/2010	1 Year		Nominated Student	Q
Martin Jones (Vice Chair)	07/07/2010	12/12/2001	2 Years		Appointed	A(Ch), R, S
Valeria Mazzardo	31/03/2010	31/03/2010	1 Year	31/03/2011	Nominated Student	Q
Alan McCulloch	16/07/2008	13/07/2005	3 Years	13/07/2011	Nominated T Staff	Q
Shingo Nakatani *	13/07/2011	16/03/2005	3 Years		Nominated T Staff	Q
Kazi Nessa	15/12/2010	15/12/2010	3 Years		Nominated Bus Staff	Q
David Offenbach	07/07/2010	17/10/2001	3 Years		Appointed	F(Ch), S
Bipin Patel	07/07/2010	17/10/2001	1 Year	31/03/2011	Appointed	A, R, S
Abdul Quadir	31/03/2011	17/07/2002	3 Years		Appointed	F

Roger Robinson	07/07/2010	18/11/2006	2 Years		Appointed	-
Tom Schuller (Chair)	07/07/2010	17/12/2008	3 Years		Appointed	R, S
Paula Whittle	07/07/2010	15/07/2009	3 Years		Appointed	Q

Key to committees

A	Audit	R	Remuneration
S	Search	Q	Quality and Standards
H	Health & Safety	F	Finance, Personnel and Development
(Ch)	Committee Chair		

There were two Appointed Governor Vacancies as at 31/07/2011

A revised set of Articles of Association were approved by the Department of Business, Innovation and Skills (BIS) and adopted by WMC Corporation on 07/07/2010. These Articles allowed for the reduction of the number of Nominated Staff Teacher Governors from two to one upon the end of the terms of office of existing teacher governors. The reduction was made effective at the 13/07/2011 Board. Shingo Nakatani was elected by teaching staff for the one teaching staff governor position.

The Revised Articles of Association include provision for retirement by rotation for Appointed Governors organised via three cohorts to avoid uneven bunching of consideration of re-appointments. Given the establishment of a cohort system, existing governors were placed into three staggered Cohorts at the 07/07/2010 Board meeting. Appointments were made initially to be for a term of office of one, two or three years based on the length of time since governors were first appointed. Subsequently, any re-appointment would usually revert to three-year terms of office. The above table indicates the continuing effect of these arrangements with consequent variations in the terms of office of Appointed Governors.

The Principal is, ex officio, a Nominated Governor. The date of his appointment as a Nominated Governor and the date of his retirement or removal from office are determined by the Appointed Governors.

The Working Men's College Corporation 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.

Alan Conway is the Clerk to the Corporation. Michael Laschinger is the Company Secretary.

Fellows of the College

Fellows are honorary appointments of between 5 and 7 years, intended for former or retiring governors, or other people who have served the College with distinction, or whose association may benefit the College. The Corporation Fellows are shown below.

Name	Date Appointed	Term of Office
Michael Laschinger	31/03/2010	6 Years
Selwyn Midgen	31/03/2010	6 Years
Dame Ruth Silver	31/03/2010	6 Years
Baroness Janet Whitaker	31/03/2010	6 Years

Role of the Corporation

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

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 full Corporation meets at least termly, and formal business has also been conducted at the Strategy Day held in November 2010. The other committees meet at least once each term with the exception of the Search and Remuneration Committees which meet as required but at least on one occasion a year

The Corporation conducts its business through a number of committees, each chaired by a Governor. Each committee has terms of reference which have been approved by the full Corporation. The committees which operated during the year were

- Audit Committee
- Finance, Personnel and Development Committee
- Quality and Standards Committee
- Remuneration Committee
- Search Committee

Full minutes of all meetings, except those deemed by the Corporation to be confidential, are available from the Clerk to the Corporation, Alan Conway, at

Working Men's College
44 Crowndale Road
London
NW1 1TR

The Governors receive no remuneration for their services, but are entitled to claim out of pocket expenses. Out of pocket expenses for travel, subsistence and other costs totalling £162 were claimed by two governors in the year to 31 July 2011 (£594 in 2009/10, claimed by four governors). The Clerk to the Corporation maintains a register of financial and personal interests of the Governors and the Senior Post Holders of the College. The register is available for inspection on application to him.

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

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

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

There is a clear division of responsibility as the roles of the Chair of the Corporation and Principal of the College are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search Committee comprised of seven Governors, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed initially for a term of office not exceeding three years.

Remuneration Committee

The Remuneration Committee comprises five Governors (excluding the Principal). The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and other Senior Post Holders.

Details of remuneration for the year ended 31 July 2011 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises five governors (excluding the Principal and Chair). The committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on its adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets 3 times during the year and provides a forum for reporting by the College's internal and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the Skills Funding Agency as they affect the College's business.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the audit committee.

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

The Audit Committee also advises the Corporation on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work. The appointment of financial statements auditors is an item of business for the AGM.

Internal Control

Scope of Responsibility

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

The Corporation has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the College and the Skills Funding Agency. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within Working Men's College for the year ended 31 July 2011 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2011 and up to the date of approval of the Annual Report and Financial Statements. 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

Working Men's College has an internal audit service, which operates in accordance with the requirements of the relevant Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the College's governing body on the recommendation of the audit committee. At minimum annually, the internal auditors provide the governing body with a report on internal audit activity in the College. The report includes their independent opinion on the adequacy and effectiveness of the College's system of internal control, risk management controls and governance processes, including internal financial control.

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 and the regularity auditors in their management letters and other reports

The Principal has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the audit committee which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The College's Senior Management Team (SMT) 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 SMT and the audit committee also receive regular reports from internal audit, 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 SMT and the audit committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. Audit Committee receives a report from the Risk Management Group at each of its meetings. The report updates the Risk Register, which is then recommended for adoption by the Corporation. At its December 2011 meeting the Corporation will carry out the annual assessment for the year ended 31 July 2011 by considering documentation from the SMT and internal audit, and taking account of events since 31 July 2011.

Public Benefit

The Governors of the Corporation confirm that they have considered the Charity Commission's general guidance on public benefit when reviewing the College's aims and objectives and in planning future activities and setting policies for the year

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 the going concern basis has been used in preparing the financial statements for the year ended 31 July 2011

Signed


Date 14.12.2011

Chair Tom Schuller

Signed



Date


14.12.11

Principal Satnam Gill

Statement of the Responsibilities of the Governors of the Corporation

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

Within the terms and conditions of the Financial Memorandum agreed between the Skills Funding Agency and the Corporation of the College (the Corporation) through the Principal, the Corporation is required to prepare financial statements for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education and which give a true and fair view of the state of affairs of the College and the result for that year

In preparing the financial statements, the Corporation is required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation

The Corporation is also required to prepare a Governors' Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College

The Corporation is responsible for ensuring that adequate accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006 are kept. The Corporation is also responsible for ensuring that the assets of the College are safeguarded and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Each of the Governors of the Corporation confirms that

- so far as the Governor is aware, there is no relevant audit information of which the College's auditors are unaware, and
- the Governor has taken all steps that they ought to have taken as a director/trustee in order to make themselves aware of any relevant audit information and to establish that the College's auditors are aware of that information

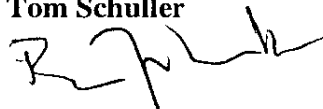
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Governors of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from

the SFA are used only in accordance with the Financial Memorandum with the SFA and any other conditions that the SFA may prescribe from time to time. Governors of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, governors of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the SFA are not put at risk.

Signed on behalf of the Corporation**Date**

14.12.2011

Chair**Tom Schuller**

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

We have audited the financial statements of Working Men's College for the year ended 31 July 2011 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of the Governors of the Corporation of Working Men's College and auditors

As explained more fully in the Statement of Responsibilities, the Governors of the Corporation (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards' (APB's) Ethical Standards for Advisors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors of the Corporation, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Board of Governors Operating and Financial Review to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

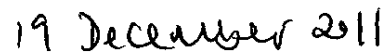
Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College's affairs as at 31 July 2011 and of the College's deficit of income over expenditure, for the year then ended,
- have been properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions,
- have been prepared in accordance with the Companies Act 2006, and
- the information given in the Board of Governors Operating and Financial Review is consistent with the financial statements

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanation we require for our audit



**Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL**

Date

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

Independent auditors' report on regularity to the Members of the Corporation of the Working Men's College ('the Corporation') and the Skills Funding Agency ('the SFA')

In accordance with the terms of our engagement letter dated 2 April 2008 and further to the requirements of the SFA, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure and income of Working Men's College ('the College') for the year ended 31 July 2011 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the Corporation and the SFA. Our review work has been undertaken so that we might state to the Corporation and the SFA those matters we are required to state to it 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 and the SFA, for our review work, for this report, or for the opinion we have formed

Respective responsibilities of the Governors of the Corporation of Working Men's College and auditors

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

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the Audit Code of Practice and the Regularity Audit Framework issued by the SFA. We report to you whether, in our opinion, in all material respects, the College's expenditure and income for the year ended 31 July 2011 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Basis of opinion

We conducted our review in accordance with the Audit Code of Practice and the Regularity Audit Framework issued by the SFA. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the College's income and expenditure

Opinion

In our opinion, in all material respects the expenditure and income for the year ended 31 July 2011 has been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Buzzacott LLP

Buzzacott LLP
Chartered Accountants and Statutory Auditors
130 Wood Street
London EC2V 6DL

19 December 2011

Date

Working Men's College Corporation
Income and Expenditure Account for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Income			
Funding Council grants	1	3,473,834	3,273,231
Tuition fees and education contracts	2	809,453	1,157,550
Other income	3	80,240	74,383
Investment income (including income on endowment funds)	4	144,255	141,888
Total Income		4,507,782	4,647,052
Expenditure			
Cost of generating funds		5,902	10,861
Staff costs	5	2,783,115	2,935,037
Other operating expenses	7	887,959	960,504
Interest Payable	7	78,635	80,240
Depreciation	9	266,744	283,001
Total Expenditure		4,022,355	4,269,643
Surplus before non-recurring items		485,427	377,409
Grant for major maintenance project	9a	225,000	-
Costs of major maintenance project	9a	(437,064)	(85 556)
Write off loan to Camden ITEC	14	(209,657)	-
(Deficit)/Surplus on continuing operations before tax		63,706	291,853
Taxation	8	-	-
(Deficit)/Surplus on continuing operations after tax		63,706	291,853

The income and expenditure account is in respect of continuing activities

Working Men's College Corporation

Statement of Total Recognised Gains and Losses for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Surplus on continuing operations after depreciation of assets at valuation and tax		63,706	291,853
Realised gains on disposal of investments	10	10,820	172,342
Unrealised gains on investments	10	239,257	46,538
Total recognised gains relating to the period		313,783	510,733
Reconciliation			
Opening reserves and endowments		6,166,120	5,655,387
Total recognised gains for the year		313,783	510,733
Closing reserves and endowments		6,479,903	6,166,120

Statement of Historical Cost Surpluses and Deficits for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Total recognised gains relating to the period		313,783	510,733
Less unrealised losses on investments		(239,257)	(46,538)
Difference between profits/(losses) on disposal of investments on a historical cost basis and profits/(losses) on disposal based on revalued amounts		(16,455)	(177,977)
Historical cost (deficit)/surplus for the period before taxation		58,071	286,218
Historical cost (deficit)/surplus for the period after taxation		58,071	286,218

Working Men's College Corporation
Balance Sheet as at 31 July 2011

	Notes	31 July 2011 £	31 July 2011 £	31 July 2010 £	31 July 2010 £
Fixed assets					
Tangible fixed assets	9	5,299,172		5,003,503	
Investments	10a	<u>1,802,967</u>		<u>2,450,010</u>	
			7,102,139		7,453,513
Endowment assets	10b		<u>1,248,789</u>		<u>1,151,559</u>
			<u>8,350,928</u>		<u>8,605,072</u>
Current assets					
Debtors	11	346,946		302,607	
Cash at bank and in hand		<u>1,391,505</u>		<u>468,992</u>	
		<u>1,738,451</u>		<u>771,599</u>	
Creditors amounts falling due within one year	12	<u>505,135</u>		<u>460,434</u>	
Net current assets			1,233,316		311,165
Total Assets less Current Liabilities			<u>9,584,244</u>		<u>8,916,237</u>
Creditors amounts falling due after more than one year					
Bank Loan	12a		(1,345,325)		(1,393,247)
NET ASSETS			<u><u>8,238,919</u></u>		<u><u>7,522,990</u></u>
Deferred capital grants	13		1,759,016		1,356,870
Endowments					
Specific	15	160,170		147,632	
General	15	<u>1,088,619</u>		<u>1,003,927</u>	
		<u>1,248,789</u>		<u>1,151,559</u>	
Restricted reserve	16	1,588,321		1,531,340	
General reserve	16	3,557,878		3,399,446	
Designated Fund-150th Anniversary Appeal Fund	16	<u>84,915</u>		<u>83,775</u>	
		<u>5,231,114</u>		<u>5,014,561</u>	
			6,479,903		6,166,120
TOTAL			<u><u>8,238,919</u></u>		<u><u>7,522,990</u></u>

The financial statements on pages 28 to 44 were approved by the governing body on 14th December 2011 and were signed on its behalf by -

Principal
 Sotham Gill

Sutton

Chair
 Tom Schuller

Tom Schuller

Company Registration Number 00008894 (England and Wales).

Working Men's College Corporation
Cash Flow Statement for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Cash flow from operating activities	17	104,069	286,042
Returns on investments and servicing of finance	18	144,255	141,888
Capital expenditure and financial investment	19	706,841	(414,243)
Increase in cash in the period	20	<u>955,165</u>	<u>13,687</u>

Reconciliation of net cash flow to movement in net funds/(debt)

Increase in cash in the period	20	955,165	13,687
Movement in net funds in period		<u>955,165</u>	<u>13,687</u>
Net debt at 1 August	20	(956,793)	(970,480)
Net funds/(debt) at 31 July	20	<u>(1,628)</u>	<u>(956,793)</u>

Notes to the Financial Statements for the year ended 31 July 2011

Statement of Accounting Policies

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 2007 (the SORP) and in accordance with applicable Accounting Standards. They conform to guidance published by the Skills Funding Agency ('the SFA'), in the Accounts Direction Handbook.

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 fixed asset investments and endowment assets.

Recognition of income

Tuition fee income is recognised in the period for which it is received and includes all fees chargeable to students. The cost of any fees waived by the College is included as part of Teaching Support Services expenditure in Note 7.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

The recurrent grants from the SFA and YPLA represent the funding allocation attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Non-recurrent grants from the SFA or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Post-Retirement Benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension 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 quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Contributions to the group personal pension scheme are a fixed percentage of salary and are charged to the income and expenditure account on an accrual basis.

Tangible fixed assets

Land and buildings and improvements to buildings are stated in the balance sheet at cost.

Individual items of equipment costing greater than £500 and with an expected useful life exceeding one year are capitalised at cost.

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

- | | |
|------------------------------------|--|
| • Freehold buildings | - 2% per year for new buildings,
5% per year for existing buildings |
| • Building improvements | - 10% per year |
| • Technical equipment | - 25% per year |
| • Computer hardware | - 33 ¹ / ₃ % per year |
| • Computer software | - 33 ¹ / ₃ % per year |
| • Furniture, fixtures and fittings | - 16 ² / ₃ % per year |

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2011. They are not depreciated until they are brought into use.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

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

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term

Investment policy

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

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred

Taxation

The College is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act (ICTA) 1988

Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively 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 suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures

Provisions

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

Learner Support Fund

The Learner Support Fund grant from the SFA is available solely for students, the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure account, except for the 5 per cent of the grant received which is

available to the College to cover administration costs relating to the grant. The College does not employ a member of staff dedicated to the administration of Learner Support Fund applications and payments, though staff from both the Students Services and Finance teams work closely to ensure compliance with the guidance for the use and disbursement of these funds.

Contributions from other bodies towards the Learner Support Fund are treated in the same way as the grant from the SFA, except that the percentage of administration costs available to the College vary according to each funder's conditions.

Working Men's College Corporation
1 Funding Council grants

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Recurrent grant	3,430,064	3,224,598
Releases of deferred capital grants (note 13)	35,361	35,361
Other funds	8,409	13,272
	3,473,834	3,273,231

2 Tuition fees and education contracts

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
UK Further Education students	412,463	386,740
UK Higher Education students	65,000	63,565
European Union (EU) (excluding UK) students	15,644	18,860
Non-EU students	536	2,241
Total fees paid by or on behalf of individual students	493,643	471,406
Education contracts	315,810	686,144
	809,453	1,157,550

3 Other income

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Releases of deferred capital grants (non Funding Council) (note 13)	31,745	31,745
Rental income	36,863	24,377
Donations	160	3,569
Other income	11,472	14,692
	80,240	74,383

4 Investment income (including income on endowment funds)

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Investment income	136,730	141,705
Other interest receivable	7,525	183
	144,255	141,888

Working Men's College Corporation

5 Staff costs

The average monthly number of persons (including senior post-holders) employed by the College during the year, expressed as full-time equivalents, was

	Year ended 31 July 2011 Number	Year ended 31 July 2010 Number
Teaching departments - teaching staff	48	55
Teaching departments - other staff	7	10
Teaching support services	6	7
Administration and central services	16	16
Premises	2	2

79	90
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Staff costs for the above persons

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Wages and salaries	2,321,402	2,465,966
Social security costs	184,483	196,889
Other pension costs	203,571	212,048
	2,709,456	2,874,903

Agency staff	2,032	27,838
Staff restructuring	71,627	32,296

2,783,115	2,935,037
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Teaching departments -teaching staff	1,299,724	1,416,714
Teaching departments -other staff	194,477	217,209
Teaching support services	267,545	338,611
Administration and central services	913,484	898,885
Premises	36,258	31,322
Staff restructuring	71,627	32,296

2,783,115	2,935,037
------------------	------------------

	Year ended 31 July 2011 £	Year ended 31 July 2011 £
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Employment costs for staff on permanent contracts	2,215,444	2,370,024
Employment costs for staff on short-term and temporary contracts	494,012	504,879
Agency staff	2,032	27,838
Staff restructuring	71,627	32,296

2,783,115	2,935,037
------------------	------------------

The number of senior post-holders and other staff who received emoluments, including pension contributions and benefits in kind, in the following ranges was

	Senior post-holders		Other staff	
	Year ended 31 July 2011	Year ended 31 July 2010	Year ended 31 July 2011	Year ended 31 July 2010
£ 50,001 to £ 60,000	-	-	1	1
£ 70,001 to £ 80,000	1	3	-	-
£ 80,001 to £ 90,000	2	-	-	-
£ 100,001 to £ 110,000	-	1	-	-
£ 120,001 to £ 130,000	1	-	-	-
	4	4	1	1

Working Men's College Corporation

6 Senior post-holders' emoluments

Senior post-holders are defined as the Principal and holders of the other senior posts whom the Governing Body has selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who are appointed by the Governing Body

	Year ended 31 July 2011	Year ended 31 July 2010
	Number	Number
The number of senior post-holders including the Principal was	47	47
Senior post-holders' emoluments are made up as follows		
	£	£
Salaries	354,833	347,370
Benefits in kind	6,283	6,077
Pension contributions	48,031	46,999
Total emoluments	409,147	400,446

The above emoluments include amounts payable to the Principal (who is also the highest paid senior post-holder) of

	Year ended 31 July 2011	Year ended 31 July 2010
	£	£
Salary	108,540	104,291
Benefits in kind	754	700
	109,294	104,991
Pension contributions	15,304	14,705

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Teachers Pension Scheme for four senior postholders (2009/10 - four) and the College's group personal pension scheme for 07 employees (2009/10 - 07) and are paid at the same rates as for other employees

The members of the Corporation other than the Principal and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Out of pocket expenses for travel and subsistence totalling £162 (2009/10 - £594) were claimed by two Governors (2009/10 - four) in the year to 31 July 2011

Senior post-holders, including the Principal and other higher paid staff, received a pay increase of between 1 and 4% in line with the general pay award

Overseas activities

None of the Governors, senior postholders or other staff were involved in any overseas activity on behalf of the College during the year ended 31 July 2011 (2009/10 - none)

7 Other operating expenses

	Year ended 31 July 2011	Year ended 31 July 2010
	£	£
Teaching departments	170,004	292,900
Teaching support services	26,475	27,627
Other support services	27,761	34,877
Administration and central services	256,547	211,037
General education	153,632	172,017
Premises costs	198,337	179,527
Running costs	55,203	42,519
Maintenance	887,959	960,504
Sub Total	437,064	85,556
Major maintenance project		
Sub total	1,325,023	1,046,060
Write off inter company loan	209,657	
Property Loan Interest payable	78,635	80,240
Total	1,613,315	1,126,300

Working Men's College Corporation
7 Other operating expenses (continued)

Other operating expenses include	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Auditors' remuneration		
Financial statements audit	14,820	14,159
Regularity audit	4,020	3,854
Internal audit	14,230	13,745

8 Taxation

The College has charitable status for taxation purposes and the Governors or the Corporation consider that all activities of the College during the year fell within qualifying categories. Accordingly no provision for corporation tax is made in the accounts.

9 Tangible fixed assets

	Land and buildings			Equipment		
	Freehold land and buildings £	Building improve- ments £	Assets in the course of construction £	Computer equipment £	Furniture, fixtures & equipment £	Total £
Cost						
At 1 August 2010	5,091,684	320,709	-	634,238	309,291	6,355,922
Additions	-	1,783	497,903	53,101	9,626	562,413
Eliminations	-	-	-	(349,980)	-	(349,980)
31 July 2011	5,091,684	322,492	497,903	337,359	318,917	6,568,355
Depreciation						
At 1 August 2010	383,773	232,936	-	513,550	222,160	1,352,419
Charge for year	107,178	30,010	-	102,019	27,537	266,744
Eliminations	-	-	-	(349,980)	-	(349,980)
31 July 2011	490,951	262,946	-	265,589	249,697	1,269,183
Net book value						
31 July 2011	4,600,733	59,546	497,903	71,770	69,220	5,299,172
Net book value						
At 1 August 2010	4,707,911	87,773	-	120,688	87,131	5,003,503

**Analysis of net book value at
31 July 2011**

Financed by capital grant	1,301,976	36,747	-	25,097	-	1,363,820
Other	3,298,757	22,799	497,903	46,673	69,220	3,935,352
Net book value						
31 July 2011	4,600,733	59,546	497,903	71,770	69,220	5,299,172

9a Major Maintenance Project

The College was granted Renewal Grant funding by the SFA in September 2010. The money was set towards the cost of external maintenance works. The total cost will be £555k, of which £225k is provided by the SFA's Renewal Grant, and the remainder from college reserves. The works include Reconstruction and repair of chimney stacks, Sealing and repair of the library roof, gutters and flat roofs, Renewal and repair of windows and cleaning and repairs to brickwork and stonework, including work to prevent any further decay.

Working Men's College Corporation

10 Fixed asset investments and endowment assets

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
a) Fixed asset investments		
Market value of listed investments at 1 August 2010	2,450,008	2,022,661
Additions	400,000	3,987,277
Disposals proceeds	(1,200,002)	(3,664,548)
Realised gains on disposal of investments	10,820	46,538
Unrealised gains	142,027	58,080
Market value of listed investments at 31 July 2011	<u>1,802,853</u>	<u>2,450,008</u>
Cash held by investment managers - capital account	114	2
Total portfolio value at 31 July 2011	<u>1,802,967</u>	<u>2,450,010</u>
Cost of listed investments at 31 July 2011	<u>2,219,285</u>	<u>2,526,379</u>
Total net unrealised gains/(losses) at 31 July 2011 included above	<u>(416,432)</u>	<u>(66,627)</u>
b) Endowment assets		
Market value of listed investments at 1 August 2010	1,151,559	1,037,297
Additions	-	-
Disposals proceeds	-	-
Prizes awarded	-	-
Realised losses on disposal of investments	-	-
Unrealised gains	97,230	114,262
Market value of listed investments at 31 July 2011	<u>1,248,789</u>	<u>1,151,559</u>
Cash held by investment managers - capital account	-	-
Total portfolio value at 31 July 2011	<u>1,248,789</u>	<u>1,151,559</u>
Cost of listed investments at 31 July 2011	<u>1,289,950</u>	<u>1,289,950</u>
Total net unrealised gains/(losses) at 31 July 2011 included above	<u>(41,161)</u>	<u>(138,391)</u>
c) Total fixed asset investments and endowment assets		
Market value of listed investments at 1 August 2010	3,601,567	3,059,958
Additions	400,000	3,987,277
Disposals proceeds	(1,200,002)	(3,664,548)
Realised gains on disposal of investments	10,820	172,342
Unrealised gains	239,257	46,538
Market value of listed investments at 31 July 2011	<u>3,051,642</u>	<u>3,601,567</u>
Cash held by investment managers - capital account	114	2
Total portfolio value at 31 July 2011	<u>3,051,756</u>	<u>3,601,569</u>
Represented by		
Listed investments		
UK fixed interest stocks	-	502,061
Overseas fixed interest stocks	-	-
UK equities	-	-
Overseas equities	-	-
UK land and property	-	-
Pooled investment vehicles	3,051,642	3,099,504
	<u>3,051,642</u>	<u>3,601,565</u>
Cash balances	114	2
Total	<u>3,051,756</u>	<u>3,601,567</u>

At 31 July 2011 listed investments included the following holding deemed material when compared with the overall portfolio valuation as at that date

	Market value £	% of portfolio value
Newton Global Growth & Income Fund for Charities	3,051,642	100.0%

Working Men's College Corporation
11 Debtors

	31 July 2011 £	31 July 2010 £
Amounts falling due within one year		
Trade debtors	245,786	105,591
Other debtors	5,079	5,154
Prepayments and accrued income	96,081	191,862
Total	346,946	302,607

12 Creditors amounts falling due within one year

	31 July 2011 £	31 July 2010 £
Payments received in advance	80,601	61,907
Trade creditors	69,339	122,795
Other taxation and social security	57,608	64,553
Accruals	179,267	106,608
Bank Loan	47,922	32,540
Other creditors	70,398	72,031
Total	505,135	460,434

12a Creditors amounts falling due after more than one year

Lloyds Loan	859,019	893,247
Barclays Loan	486,306	500,000
Total Bank Loans	1,345,325	1,393,247

12b Bank Loans

	Barclays £	Lloyds £	Total 31 July 2011 £	Total 31 July 2010 £
In one year or less	13,694	34,228	47,922	32,540
Between one and two years	19,149	36,016	55,165	47,922
Between two and five years	63,861	121,591	185,452	175,591
In five years or more	416,990	701,412	1,118,402	1,169,734
Sub Total	486,306	859,019	1,345,325	1,393,247
Total	500,000	893,247	1,393,247	1,425,787

Capital and fixed interest at 5.485% on the Lloyd TSB bank loan are repayable by quarterly instalments falling due between 3rd December 2007 and 1 December 2027. Capital and fixed interest at 5.73% on the Barclays bank loan are repayable by quarterly instalments falling due between 14 November 2011 and 14 August 2028.

13 Deferred capital grants

	At 1 August 2010 £	Cash received £	Released to income and expenditure account £	31 July 2011 £
Learning and Skills Council grants				
Building improvements	1,303,362	469,252	(35,361)	1,737,253
Other grants				
Computer equipment	53,508	-	(31,745)	21,763
Total	1,356,870	469,252	(67,106)	1,759,016

14 Loan to Camden ITEC

In August 2010 WMC agreed to invest up to £100k in Camden ITEC a training organisation based in Kentish Town catering primarily for disadvantaged 14-18 year-olds, to stabilise its financial position. WMC agreed a plan to turn round ITEC within two years and to that end increased its investment in March 2011 to £225k. In April 2011, however, the Government announced that its Young Apprentices programme, which had formed the core of ITEC's business for several years, would end.

On 13th July 2011 the WMC Board received a request from the ITEC Board to increase the value of its loan. However, the WMC Board decided it could not afford to do so. Without the increased loan the ITEC Board was unable to agree a balanced budget and called in liquidators on 14th July 2011. The WMC loan to ITEC totalling £209,657 is not recoverable and is accordingly written off.

Working Men's College Corporation
15 Endowments

	Specific £	General £	Total £
At 1 August 2010	147,632	1,003,927	1,151,559
Unrealised gains in year on endowment asset investments	12,538	84,692	97,230
At 31 July 2011	<u>160,170</u>	<u>1,088,619</u>	<u>1,248,789</u>
Representing			
Prizes funds	52,284	-	52,284
Library funds	85,578	-	85,578
Other funds	23,174	1,087,752	1,110,926
Total	<u>161,037</u>	<u>1,087,752</u>	<u>1,248,789</u>

16 Movement on reserves

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
General reserve - Income and Expenditure Account		
At 1 August 2010	3,399,446	3,001,549
Movement on income and expenditure account after depreciation and tax	63,706	291,853
Amounts raised by Governors treated as designated funds	(1,140)	(3,569)
Realised investment gains	6,786	108,320
Unrealised investment gains/(losses)	89,080	1,293
At 31st July 2011	<u>3,557,878</u>	<u>3,399,446</u>
Restricted reserves		
At 1 August 2010	1,531,340	1,466,550
Realised investment gains	4,034	64,022
Unrealised investment gains	52,947	768
At 31st July 2011	<u>1,588,321</u>	<u>1,531,340</u>
Designated Fund-150th Anniversary Appeal Fund		
Funds raised during the year	<u>1,140</u>	<u>3,569</u>

17 Reconciliation of operating surplus to net cash inflow from operating activities

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Surplus on continuing operations after depreciation of assets at valuation and tax	63,706	291,853
Disposals	-	-
Depreciation (note 9)	266,744	283,001
Deferred capital grants released to income (note 1&13)	(67,106)	(67,106)
Investment income receivable (note 4)	(136,730)	(141,705)
Interest receivable (note 4)	(7,525)	(183)
Interest payable	-	-
(Increase)/(decrease) in debtors	(44,339)	(10,733)
Decrease/(increase) in creditors	44,701	(67,359)
(Increase) in long term creditors	(15,382)	(1,726)
Net cash inflow from operating activities	<u>104,069</u>	<u>286,042</u>

18 Returns on investments and servicing of finance

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Income from investments	136,730	141,705
Other interest received	7,525	183
Net cash inflow from returns on investment and servicing of finance	<u>144,255</u>	<u>141,888</u>

Working Men's College Corporation
19 Capital expenditure and financial investment

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Purchase of tangible fixed assets	(562,413)	(151,670)
Payments to acquire fixed assets investments	(400,000)	(3,987,277)
Sales of fixed assets investments	1,200,002	3,664,548
Deferred capital grants received	469,252	60,156
Net cash inflow from capital expenditure and financial investment	706,841	(414,234)

20 Analysis of changes in net funds/(debt)

	At 1 August 2010 £	Cashflows £	31 July 2011 £
Cash			
Cash in hand, and at bank	468,992	922,513	1,391,505
Cash held with fund managers as part of investment portfolio	2	112	114
Sub Total	468,994	922,625	1,391,619
Bank Loan			
Debt within 1 year	(32,540)	(15,382)	(47,922)
Debt after 1 year	(1,393,247)	47,922	(1,345,325)
Sub Total	(1,425,787)	32,540	(1,393,247)
Total	(956,793)	955,165	(1,628)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers' Pensions Scheme (TPS) and a group personal Pension Scheme (GPPS). The total pension cost for the year was £203,571 (year ended 31 July 2010 - £213,776). The total contribution to the TPS was £170,805 (2010 £186,280).

Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

The pensions cost is assessed at least every four years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	Prospective Benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Market value of assets at date of last valuation	£162,650 million

Proportion of members' accrued benefits covered by the actuarial value of the assets	98.88%
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Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employer contributions. For the period from 1 August 2005 to 31 December 2006 the employer contribution was 13.5%. The rate increased to 14.1% from 1 January 2007. At the same time the employee rate increased from 6% to 6.4%.

An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

FRS 17

Under the definitions set out in Financial Reporting Standard 17 (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the deficit in the scheme and the implications for the College in terms of the anticipated contribution rates.

Working Men's College Corporation

22 Capital commitments

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Accommodation extension and improvement project 2010/11		
Major maintenance project	10,050	612,209
Building improvements Phase 2	950,097	-
	<u>960,147</u>	<u>612,209</u>

23 Learner Support Funds

	Learning & Skills Council £	Other organisations £	Year ended 31 July 2011 Total £	Year ended 31 July 2010 Total £
Access Funds				
Balance brought forward from prior year	43,570	-	43,570	37,895
Current Year				
Learning & Skills Council grants				
- Hardship funds	112,157	-	112,157	125,100
- Childcare	55,110	-	55,110	50,100
Disbursed to students	(120,722)	-	(120,722)	(130,128)
Administration fees	(8,363)	-	(8,363)	(8,760)
Examination fees	(43,227)	-	(43,227)	(30,637)
Current year total	(5,045)	-	(5,045)	5,675
Grants received from other organisations				
- London Borough of Camden - Childcare	-	-	-	-
LSC grant recycling from prior years	-	-	-	-
Grant written off	-	-	-	-
Balance unspent at 31 July, included in creditors	<u>38,525</u>	<u>-</u>	<u>38,525</u>	<u>43,570</u>

Learning & Skills Council Learner Support Fund grants and London Borough of Camden Childcare grants are available solely for students, the college acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

24 Related party transactions

Due to the nature of the College's operations and the composition of the board of governors (being drawn from local public and private sector organisations) it is possible that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving organisation in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

25 Directors' and officers' liability insurance

The College has purchased directors' and officers' liability insurance. The insurance premium paid by the College for the year ended 31 July 2011 was £1,707 (2010 - £1,395) and provides cover of up to a maximum of £1,000,000 for all claims during a year.

26 Members' liability

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