



The Camden College

WORKING MEN'S COLLEGE CORPORATION

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

Report and Financial Statements For the Year Ended 31 July 2010



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

Contents

The Board of Governors' Operating and Financial Review	1
Nature, Objectives and Strategies	1
Financial Position	7
Current and Future Development and Performance	9
Resources	10
Principal Risks and Uncertainties	10
Stakeholder Relationships	11
Professional Advisors	16
Statement of Corporate Governance and Internal Control	17
Statement of the Responsibilities of the Governors of the Corporation	24
Independent auditors' report to the Members of the Corporation of Working Men's College	26
Independent auditors' report on regularity to the Corporation of the Working Men's College and the Skills Funding Agency	28
Income and Expenditure Account	29
Statement of Total Recognised Gains and Losses	30
Balance Sheet	31
Cash Flow Statement	32
Reconciliation of Net Cash Flow to Movement in Net Funds / (debt)	32
Notes to the Financial Statements for the year ended 31 July 2010	33

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 2010

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 Children, Schools & Families (DSCF), 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 these objectives. Grant funding for Phase 2 of the College's Accommodation Strategy was originally cancelled as a consequence of the Learning & Skills Council's (LSC's) capital crisis in early 2009. However, in September 2010 we were awarded funds from the SFA's Enhanced Renewal Grant which should enable us to complete the project during 2011.

Ofsted undertook an inspection of 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

As a consequence of the excellent inspection results, the College was granted Beacon status in January 2009 by the Minister for Further Education.

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 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 bid 2008-09

In late 2008 the college made a bid to the LSC for grant funding towards phase 2 of the accommodation strategy. This was planned to include

- A new entrance and reception
- Essential maintenance works to the College's exterior
- Renovation of the Old Library and John Ruskin Room
- New roof space offices

This bid failed in June 2009 when the LSC's capital programme collapsed. The College made a successful retrospective bid to the LSC in September 2009 for fee support for its preparation. We were awarded a grant of £135k. The remaining costs of £145k were written off in the financial year 2008/09.

External Works and Renewal Grants 2010

The College decided in early 2010 to fund from its own resources the essential maintenance works to the College's exterior which had been included in phase 2. These works are currently underway and will be completed by December 2010. The total cost will be £698k, of which £225k will be provided by a SFA 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

In Summer 2010 the College also successfully bid for Enhanced Renewal Grant funding from the SFA. These works are still subject to approval by governors, but it is expected that they will cost £1,281k, of which £427k will be provided by a SFA Renewal Grant, and the remainder from college reserves. The works will 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

The works would be completed by August 2011.

General Financial Objectives

The College's general financial objectives were revised for 2009/10, 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 financial health category Outstanding, and to return to category Outstanding within 3 years of any major capital works programme

In 2009/10, 5 out of 6 of the financial objectives were met, as follows

	Outcome	Met
- Cash days greater than 25	37	Yes
- A current ratio greater than 1 6 1	1 68	Yes
- An operating surplus greater than 3% of income	6 3%	Yes
- Borrowing less than 30% of total reserves plus debt	18%	Yes
- General reserves greater than 100% of income	75%	No
- Financial health category	Outstanding	Yes

Investment Fund Objectives

The College's investment fund financial objectives were revised for 2009/10, 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

At 31st July 2010, the proportions of investments by type were as follows

- 13 9% (£502k) in a short-term fixed interest rate deposit
- 86 1% (£3,010k) in the Newton Global Growth & Income Fund for Charities

Performance Indicators

SFA and YPLA Funding

In 2009/10 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	4	6	+50%
	SLNs ¹	1	2	+100%
	Funding Value	£4,759	£8,005	+68%
	ALS ²	£526	£884	+68%

Adult (19+) Learner-Responsive Funding (SFA)	Learner Numbers	2,232	2,803	+26%
	SLNs ¹	757	747	-1.2%
	Funding Value	£3,035,395	£3,351,445	+10.4%
	ALS ²	£185,932	£183,690	-1.2%

Total	Learner Numbers	2,236	2,809	+26%
	SLNs ¹	758	749	-1.1%
	Funding Value including ALS ²	£3,226,612	£3,544,024	+9.8%

1 Standard Learner Numbers approximately a full-time equivalent

2 Additional Learner Support

Overall the College is expected to deliver 9.8% in excess of its contracted funding value for 2009/10. It outperformed its contract in respect of both young people and adults.

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%

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 %:
	2006/07	2007/08	2008/09	2009/10	08/09 - 09/10
Total excluding ALS	£4,403	£4,347	£4,249	£4,059	-4.5%

This reflects a general tightening over the last three years of funding contracts and rates. Also, in 2009/10 we delivered an outturn well in excess of contract. This is in preparation for significant reductions in rates in 2010/11, particularly for Skills for Life, which will necessitate an increase in our funding efficiency.

Other Funding

In 2009/10 the College has made further progress in diversifying its funding. It received 70% of its operating income from direct funding council grants, down from 76% in 2008/09 and 79% in 2007/08. The value of its education contracts increased from £389k to £686k, with significant expansion of Train to Gain and Response to Redundancy projects, more than

compensating for the ending of Skills for Jobs. All three of these are SFA funds, subcontracted through third parties. Tuition fees also increased significantly, from £432k to £471k, partly due to increased recruitment.

Student Performance

The College's students have had another very successful year.

The 2009/10 retention rate aggregated for all SFA funded courses was 89.7% (target 91.5%), a fall of 0.6% since 2008/09.

The achievement rate aggregated for all SFA funded courses was 89.3% (target 89.5%), a rise of 0.4% since 2008/09.

The success rate was 80.0% (target 82.0%), a fall of 0.2% since 2008/09.

Financial Position

Financial Results

The College generated a healthy surplus on continuing operations for the year to 31 July 2010 of £291,853. This compares with an operating surplus of £6,336 for 2008/09 (but an exceptional loss of £138,606 due to designs and preparation for an unsuccessful capital bid), and an operating surplus of £101,527 for 2007/08.

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

Tangible fixed asset additions during the year totalled £151,670, all of which was equipment. See Note 9.

Investments

The worldwide conditions for financial markets improved during 2009/10 after an extremely tough 2008/09. The College's investment portfolio produced net realised gains of £171,342 (losses of £386,217 in 2008/09) and net unrealised gains of £46,538 (losses of £249,682 in 2008/09). See Note 10.

Reserves

As at 31 July 2009, general funds totalled £3,399,446 (£3,001,549 in 2008/09).

In addition, the 150th Anniversary Appeal Fund, for the future development of the College, totalled £83,775 (£80,206 in 2008/09).

The College also holds restricted funds and endowments totalling £2,682,899 (£2,573,632 in 2008/09). 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 £13,687, compared with negative £80,436 in 2008/09

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 2009 the total loan principal outstanding was £1,425,787, of which £925,787 is owed to Lloyds TSB and £500,000 to Barclays

Post-Balance Sheet Events

1 Camden ITEC

Camden ITEC, a training organisation catering primarily for 14-18 year-olds based in Kentish Town, had approached WMC for assistance as they were in financial difficulties ITEC's audited accounts for 2008/09 show an operating loss of £56,483 on a turnover of £630,582 and total assets of just £20,686

The ITEC Board resigned apart from one member and on 9th August 2010 appointed 4 new trustees who are also trustees of WMC One of these, Lucy de Groot, was appointed as Chair The Chief Executive of WMC, Satnam Gill, was appointed as the Chief Executive of ITEC The former chief executive and one other manager of ITEC have resigned from their posts

The parties have approved a loan agreement which provides for up to £100k of working capital to be loaned to ITEC by WMC over the next 2 years WMC will also provide management resources It is confident it can run ITEC in surplus and recover its investment within that timescale

2 Renewal Grants

On 8th September 2010 the Secretary of State for Business, Innovation & Skills, Vince Cable, visited the College to announce the outcome of the Government's Renewal Grant capital funding bids WMC was successful in obtaining both Renewal Grant and Enhanced Renewal Grant funding totalling £652k Details of the programmes are set out above under Accommodation Strategy

Current and Future Development and Performance

Curriculum Development, Management and Staff Restructuring

The College's curriculum is divided into four main programme areas

- Skills for Life - ESOL, Literacy and Numeracy - plus modern foreign languages
- Arts (Visual and Performing)
- Information and Communication Technology and Vocational Programmes (Management, Business, Teaching Assistants)
- Employability projects (Skills for Jobs, Personal Best, Response to Redundancy)

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

Curriculum Changes in 2009/10

Overall 2009/10 was a year of consolidation where we worked on increasing class sizes to ensure future viability

Provision for students on substantial level 2 and 3 programmes continued to grow with a further increase in enrolments on Access to HE, and growth in Supporting Teaching and Learning in Schools and in Medical Administration

Train to Gain provision grew considerably and contract values were increased in year

The Enterprise unit also built on its success with Skills for Jobs and Personal Best to develop a highly successful Response to Redundancy programme providing flexible support and training for people recently made redundant

Restructuring

A small number of posts were restructured during the year, following significant changes in 2008/09. The Head of Visual and Performing Arts resigned, as did the VPA Development Manager, and both posts will be replaced by a single Head of Arts and Humanities

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 2009 to 31 July 2010, 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.

SDI review

The LSC published the results of its review into former External Institutions (fEIs) and Specialist Designated Institutions (SDIs) in March 2009. Following the change of government and its comprehensive spending review the Skills Funding Agency have deferred any decisions on the funding of SDIs. The college has continued to lobby for the retention of SDI status.

Resources

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

- Tangible resources totalling £5,003,503, principally related to the new buildings completed in 2008 in Phase 1 of the Accommodation Strategy
- Investments and endowments totalling £3,601,569
- Long term debts (>1 year) of £1,393,247
- A staff base of 90 full-time equivalents, of which 55 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 principal risk factors that may affect the College, as identified by the Risk Management Group in June 2010. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Funding

- Failure to deliver efficiency gains re SFA funding

- Failure to achieve planned learner numbers (including ESOL)
- Failure by Enterprise Unit to deliver contracted outputs to targets
- Failure to make the necessary changes to deal with likely funding cuts over the next 3 years
- Adverse changes to funding as a result of the change of Government
- Failure to maintain the financial viability of the college during 2010/11
- Failure to innovate, find new contracts and exploit existing funding streams
- Competition from other providers

Planning and Delivery

- Failure to retain learners
- Failure to achieve success on accredited courses
- Failure to achieve the learning goals of learners on non-accredited courses
- Failure to maintain quality of Teaching & Learning
- Failure to make good progress on RaRPA implementation
- Failure to comply with Data Service guidance on acceptable data practices
- Failure to maintain adequate record keeping of students
- Serious disruption to college due to repair works

Financial Management

- Failure to maintain effective investment strategy (in context of the volatility of global markets)
- Failure to make corporate cost savings
- Failure to maintain effective financial controls
- Insolvency of repairs contractor
- Significant overrun of repair works in cost and time

Reputation and Other

- Failure of electronic systems
- Serious security issues including scaffolding and the threat of violence
- Serious breaches of Health & Safety legislation
- Breaches of requirements in Equality & Diversity legislation
- Breach of employment legislation and / or adverse Industrial Tribunal judgement
- Serious adverse publicity or scandal
- Disaster scenarios, including fire, flu pandemic and loss of key personnel

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.

Employment progression routes for Skills for Life students have been established with contextualised courses in Sewing, Childcare, Health, Computing, Business Administration and Financial Services, and we will continue to build on these. Employability skills and citizenship are embedded throughout the provision.

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.

There are outstanding partnership arrangements for community based learning that have been established through well-focussed outreach work and contribute to the success of the provision. 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 Assistant Director for Enterprise and Partnerships has continued to take forward employer engagement and partnership work, building on successful existing partnerships with City and Islington College (CIC) and City of Westminster College (CWC), and developing a new partnership with the Skills Development Agency. Strong relationships, leading to increased and repeat business, have been forged through provision of Train to Gain funded activity at University College London, LB Camden, Crystal Security and Interserve, amongst others.

Our Response to Redundancy programme has been delivered throughout 2009/10, as part of a consortium led by CIC. All our clients have been referred by Job Centre Plus. Employability skills and vocational training including Security, Administration, Project Management and Retail have been provided. This work is linked with the Local Employment Partnership and Camden Enterprise Partnership Group. Participation targets have been exceeded, and WMC is the second highest performer in the consortium.

We have continued to work together to meet the needs of unemployed residents of Camden and Islington who wish to work in the NHS. NHS Job Shop refers clients to us for Medical Administration courses, and clients are referred back to NHS Job Shop for job search opportunities.

In 2009/10 we have delivered Personal Best training – a NOCN Event Volunteering qualification in Camden and Islington, exceeding our targets, and gaining additional funding to deliver more. We also gained an additional contract for recruitment. This project involves working with community groups and the two boroughs Camden and Islington.

Additional programmes to meet the needs of learners within the college and those studying in the workplace were introduced in 2009/10, including Cleaning and Support Services and Security Guarding level 2. We are now delivering these, as well as Skills for Life qualifications funded through Train to Gain.

In 2009/10 we delivered fully funded activity for the following organisations/projects

- LB Camden employees – ICT
- Money Week with the Financial Services Authority
- NIACE NEET research project

Educational Links

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

The SFA (Skills Funding Agency) is our successor to the Learning & Skills Council as 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 enterprise projects with City & Islington College (Response to Redundancy), City of Westminster College (Train to Gain, Personal Best) and the Skills Development Agency (Train to Gain).

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 13/12/12
Chair 

Professional Advisors

Financial Statements and Regularity Auditors	Internal Auditors
Buzzacott LLP 12 New Fetter Lane London EC4A 1AG	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	Hughes & Associates The Parade, 27 Lodge Lane Socketts Heath Essex RM17 5RY
Surveyors	Engineers
Hamson Hayworthe House, Market Place Haywards Heath West Sussex RH16 1DB	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 2010.

Governors of the Corporation

The governors who served on the Corporation during the year ending 31st July 2010 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	07/07/2010	16/03/2005	1 Year		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*	31/03/2010	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 Frankhn	07/07/2010	Pre-31/12/1991	1 Year		Appointed	Q, F
Satnam Gill	01/02/1999	01/02/1999	Ex Officio		Principal	F, S, Q
Famil Guliyev	12/12/2007	14/12/2004	3 Years		Nominated Bus Staff	-
Ruth Hawthorn	07/07/2010	24/03/2004	1 Year		Appointed	Q
Martin Jones (Vice Chair)	07/07/2009	12/12/2001	2 Years		Appointed	A(Ch), R, S
Michael Laschinger* (Remains Company Secretary although no longer a governor)	28/03/2007	Pre-31/12/1991	3 Years	07/07/2010	Appointed	A, S, R
Valeria Mazzardo*	31/03/2010	31/03/2010	1 Year		Nominated Student	Q
Alan McCulloch	16/07/2008	13/07/2005	3 Years		Nominated T Staff	Q
Selwyn Midgen*	17/12/2008 as Emeritus Governor	03/12/1996	Lifetime	31/03/2010	Emeritus	-
Shingo Nakatani	16/07/2008	16/03/2005	3 Years		Nominated PT Staff	Q

David Offenbach	07/07/2010	17/10/2001	3 Years		Appointed	F(Ch), S
Bipin Patel (Vice Chair to 31/03/2010)	07/07/2010	17/10/2001	1 Year		Appointed	S, R, A
Maria Pilla*	01/04/2009	01/04/2009	1 Year	31/03/2010	Nominated Student	Q
Abdul Quadir	07/07/2010	17/07/2002	1 Year		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
Dalal Shehrour*	01/04/2009	01/04/2009	1 Year	31/03/2010	Nominated Student	Q
Ruth Silver*	13/08/2008 as Emeritus Governor	06/12/1995	Lifetime	31/03/2010	Emeritus	-
Paula Whittle	07/07/2010	15/07/2009	3 Years		Appointed	Q

Key to committees

A Audit
S Search
H Health & Safety
(Ch) Committee Chair

R Remuneration
Q Quality and Standards
F Finance, Personnel and Development

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 include provision for retirement by rotation for Appointed Governors, organised in three staggered cohorts to avoid uneven bunching of re-appointments. Existing governors were placed into cohorts for a term of office of either one, two or three years, based on the length of time since they were first appointed. Subsequently, any re-appointments will revert to three-year terms of office.

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.

Fellows of the College

The new Articles of Association provide the position of Fellow 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 appointment of four Fellows to the College were made on 31st March 2010.

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

The new Articles of Association no longer provide for the post of Emeritus Governor, and the two existing Emeritus Governors, Selwyn Midgen and Ruth Silver, agreed to resign their posts on 31/03/2010

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 2009. 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 £594.01 were claimed by one governor and the Clerk to the WMC Corporation in the year to 31 July 2010 (£456.13 in 2008/09, 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 2010 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 2010 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 2010 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 2010 meeting the Corporation will carry out the annual assessment for the year ended 31 July 2010 by considering documentation from the SMT and internal audit, and taking account of events since 31 July 2010.

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 2010.

Signed



Date

14/12/10

Chair

Tom Schuller

Signed



Date

15/12/10

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

12/12/10 

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 2010 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. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

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 described in the Statement of Responsibilities of the Governors of the Corporation, the College's Corporation is responsible for preparing the annual report and financial statements in accordance with the Accounts Direction issued by the Skills Funding Agency, the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education, applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education, and United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion, the information given in the College report is consistent with the financial statements.

In addition we report to you if, in our opinion, the College has not kept adequate accounting records, if the College's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of remuneration of Members of the Corporation specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the report of the Governors of the Corporation. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

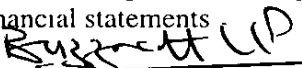
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Skills Funding Agency. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the College in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, of the state of the College's affairs as at 31 July 2010 and of the College's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the 2009/10 Accounts Direction issued by the Skills Funding Agency and the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the report of the Governors of the Corporation is consistent with the financial statements.


Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG

Date:

20 December 2010

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 2010 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.

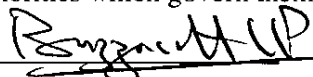
Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the Audit Code of Practice and the Regularity Audit Framework issued by the SFA. We report to you whether, in our opinion, in all material respects, the College's expenditure and income for the year ended 31 July 2010 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

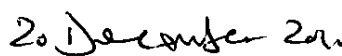
Basis of opinion

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 2010 has been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.


Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London EC4A 1AG


Date

Working Men's College Corporation
Income and Expenditure Account for the year ended 31 July 2010

	Notes	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Income			
Funding Council grants	1	3,273,231	3,276,154
Tuition fees and education contracts	2	1,157,550	821,327
Other income	3	74,383	63,161
Investment income (including income on endowment funds)	4	141,888	162,593
Total Income		4,647,052	4,323,235
Expenditure			
Cost of generating funds		10,861	23,654
Staff costs	5	2,935,037	3,001,769
Other operating expenses	7	1,046,060	956,701
Interest Payable	7	80,240	82,974
Depreciation	9	283,001	251,801
Total Expenditure		4,355,199	4,316,899
Surplus on continuing operations before tax		291,853	6,336
Taxation	8	-	-
Surplus on continuing operations after tax		291,853	6,336
Exceptional income	9a	-	134,727
Exceptional expenditure	9a	-	279,669
Net Exceptional Loss	9a	-	(144,942)
		291,853	(138,606)

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 2010

	Notes	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Surplus on continuing operations after depreciation of assets at valuation and tax		291,853	(138,606)
Realised gains/(losses) on disposal of investments	10	172,342	(386,217)
Unrealised gains/(losses) on investments	10	46,538	(249,682)
Total recognised gains/(losses) relating to the period		<u>510,733</u>	<u>(774,505)</u>
Reconciliation			
Opening reserves and endowments		5,655,387	6,429,892
Total recognised gains/(losses) for the year		510,733	(774,505)
Closing reserves and endowments		<u>6,166,120</u>	<u>5,655,387</u>

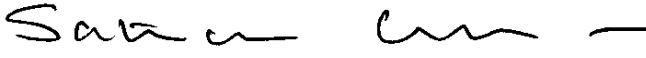
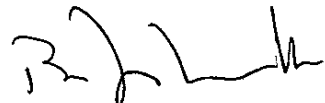
Statement of Historical Cost Surpluses and Deficits for the year ended 31 July 2010

	Notes	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Total recognised gains/(losses) relating to the period		510,733	(774,505)
Less unrealised (gains)/losses on investments		(46,538)	249,682
Difference between profits/(losses) on disposal of investments on a historical cost basis and profits/(losses) on disposal based on revalued amounts		(177,977)	380,582
Historical cost surplus/(deficit) for the period before taxation		<u>286,218</u>	<u>(144,241)</u>
Historical cost surplus/(deficit) for the period after taxation		<u>286,218</u>	<u>(144,241)</u>

Working Men's College Corporation
Balance Sheet as at 31 July 2010

	Notes	31 July 2010 £	31 July 2010 £	31 July 2009 £	31 July 2009 £
Fixed assets					
Tangible fixed assets	9	5,003,503		5,134,834	
Investments	10a	<u>2,757,269</u>		<u>2,361,092</u>	
			7,760,772		7,495,926
Endowment assets	10b		<u>844,300</u>		<u>1,028,650</u>
			8,605,072		8,524,576
Current assets					
Debtors	11	302,607		291,874	
Cash at bank and in hand		<u>468,992</u>		<u>156,337</u>	
		771,599		448,211	
Creditors amounts falling due within one year	12	<u>460,434</u>		<u>527,793</u>	
Net current assets/(liabilities)			311,165		(79,582)
Total Assets less Current Liabilities			<u>8,916,237</u>		<u>8,444,994</u>
Creditors amounts falling due after more than one year					
Bank Loan	12a		(1,393,247)		(1,425,787)
NET ASSETS			<u>7,522,990</u>		<u>7,019,207</u>
Deferred capital grants	13		1,356,870		1,363,820
Endowments					
Specific	14	147,632		141,896	
General	14	<u>1,003,927</u>		<u>965,186</u>	
		1,151,559		1,107,082	
Restricted reserve	15	1,531,340		1,466,550	
General reserve	15	3,399,446		3,001,549	
Designated Fund-150th Anniversary Appeal Fund	15	<u>83,775</u>		<u>80,206</u>	
		5,014,561		4,548,305	
			6,166,120		5,655,387
TOTAL			<u>7,522,990</u>		<u>7,019,207</u>

The financial statements on pages 29 to 45 were approved by the governing body on 15th December 2010 and were signed on its behalf by -

Principal 
Chair 

Working Men's College Corporation
Cash Flow Statement for the year ended 31 July 2010

	Notes	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Cash flow from operating activities	16	286,042	(225,793)
Returns on investments and servicing of finance	17	141,888	162,593
Capital expenditure and financial investment	18	(414,243)	(17,236)
(Decrease)/increase in cash in the period	19	<u>13,687</u>	<u>(80,436)</u>

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

increase/(decrease) in cash in the period	19	13,687	(80,436)
Cash Inflow from new unsecured loan	19	-	-
Movement in net funds in period		<u>13,687</u>	<u>(80,436)</u>
Net funds at 1 August	19	(970,480)	(890,044)
Net funds at 31 July	19	<u>(956,793)</u>	<u>(970,480)</u>

Notes to the Financial Statements for the year ended 31 July 2010

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 2010. 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 2010 £	Year ended 31 July 2009 £
Recurrent grant	3,224,598	3,227,527
Releases of deferred capital grants	35,361	35,291
Other funds	13,272	13,336
	3,273,231	3,276,154

2 Tuition fees and education contracts

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
UK Further Education students	386,740	365,301
UK Higher Education students	63,565	46,341
European Union (EU) (excluding UK) students	18,860	13,717
Non-EU students	2,241	6,651
Total fees paid by or on behalf of individual students	471,406	432,010
Education contracts	686,144	389,317
	1,157,550	821,327

3 Other income

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Releases of deferred capital grants (non Funding Council)	31,745	16,189
Rental income	24,377	17,934
Donations	3,569	20
150th Anniversary Appeal and related income	-	15,331
Other income	14,692	13,687
	74,383	63,161

4 Investment income (including income on endowment funds)

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Investment income	141,705	154,625
Other interest receivable	183	7,968
	141,888	162,593

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 2010 Number	Year ended 31 July 2009 Number
Teaching departments - teaching staff	55	52
Teaching departments - other staff	10	9
Teaching support services	7	7
Administration and central services	16	15
Premises	2	2
	<u>90</u>	<u>85</u>

Staff costs for the above persons

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Wages and salaries	2,465,966	2,479,088
Social security costs	196,889	199,265
Other pension costs	212,048	207,574
	<u>2,874,903</u>	<u>2,885,927</u>
Agency staff	27,838	38,150
Staff restructuring	32,296	77,692
	<u>2,935,037</u>	<u>3,001,769</u>

Teaching departments -teaching staff	1,416,714	1,455,134
Teaching departments -other staff	217,209	191,245
Teaching support services	338,611	326,151
Administration and central services	898,885	898,660
Premises	31,322	52,887
Staff restructuring	32,296	77,692
Total	<u>2,935,037</u>	<u>3,001,769</u>

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Employment costs for staff on permanent contracts	2,370,024	2,370,001
Employment costs for staff on short-term and temporary contracts	504,879	517,162
Agency staff	27,838	36,914
Staff restructuring	32,296	77,692
	<u>2,935,037</u>	<u>3,001,769</u>

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 2010	Year ended 31 July 2009	Year ended 31 July 2010	Year ended 31 July 2009
£ 50,001 to £ 60,000	-	-	1	1
£ 70,001 to £ 80,000	3	1	-	-
£ 80,001 to £ 90,000	-	2	-	-
£ 100,001 to £ 110,000	1	-	-	-
£ 120,001 to £ 130,000	-	1	-	-
	<u>4</u>	<u>4</u>	<u>1</u>	<u>1</u>

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 2010	Year ended 31 July 2009
	Number	Number
The number of senior post-holders including the Principal was	<u>47</u>	<u>47</u>
Senior post-holders' emoluments are made up as follows	£	£
Salaries	347,370	355,692
Benefits in kind	6,077	5,795
Pension contributions	46,999	48,005
Total emoluments	<u>400,446</u>	<u>409,492</u>

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

	Year ended 31 July 2010	Year ended 31 July 2009
	£	£
Salary	104,291	109,701
Benefits in kind	700	666
	<u>104,991</u>	<u>110,367</u>
Pension contributions	<u>14,705</u>	<u>15,468</u>

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 (2008/09 - four) and the College's group personal pension scheme for 07 employees (2008/09 - 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 £594 (2008/09 - £456) were claimed by four Governors (2008/09 - four) in the year to 31 July 2010

Senior post-holders, including the Principal and other higher paid staff, received a pay increase of between 3 and 5% 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 2010 (2008/09 - none)

7 Other operating expenses

	Year ended 31 July 2010	Year ended 31 July 2009
	£	£
Teaching departments	292,900	158,414
Teaching support services	27,627	24,765
Other support services	34,877	20,835
Administration and central services	211,037	295,716
General education	172,017	168,953
Premises costs Running costs	179,527	255,573
Premises costs Maintenance	42,519	32,445
Major maintenance project	85,556	-
Sub total	<u>1,046,060</u>	<u>956,701</u>
Property Loan Interest payable	80,240	82,974
Total	<u>1,126,300</u>	<u>1,039,675</u>

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

Other operating expenses include	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Auditors' remuneration		
Financial statements audit	14,159	13,513
Regularity audit	3,854	3,680
Internal audit	13,745	13,553
Other services from either external or internal auditors Relating to year ended 31 July 2008	-	-

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 2009	5,096,695	315,720	-	497,440	294,397	6,204,252
Additions	(5,011)	4,989	-	136,798	14,894	151,670
31 July 2010	5,091,684	320,709	-	634,238	309,291	6,355,922
Depreciation						
At 1 August 2009	276,595	205,117	-	392,469	195,237	1,069,418
Charge for year	107,178	27,819	-	121,081	26,923	283,001
31 July 2010	383,773	232,936	-	513,550	222,160	1,352,419
Net book value						
31 July 2010	4,707,911	87,773	-	120,688	87,131	5,003,503
Net book value						
At 1 August 2009	4,820,100	110,603	-	104,971	99,160	5,134,834
Analysis of net book value at						
31 July 2010						
Financed by capital grant	1,301,976	36,747	-	25,097	-	1,363,820
Other	3,405,935	51,026	-	95,591	87,131	3,639,683
Net book value						
31 July 2010	4,707,911	87,773	0	120,688	87,131	5,003,503

Working Men's College Corporation

10 Fixed asset investments and endowment assets

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
a) Fixed asset investments		
Market value of listed investments at 1 August 2009	2,031,308	2,765,820
Additions	3,987,277	1,244,203
Disposals proceeds	(3,664,548)	(1,527,166)
Realised losses/(gains) on disposal of investments	172,342	(386,217)
Unrealised gains/(losses)	230,888	(65,332)
Market value of listed investments at 31 July 2010	<u>2,757,267</u>	<u>2,031,308</u>
Cash held by investment managers - capital account	2	329,784
Total portfolio value at 31 July 2010	<u>2,757,269</u>	<u>2,361,092</u>
Cost of listed investments at 31 July 2010	<u>2,526,379</u>	<u>2,116,535</u>
Total net unrealised gains/(losses) at 31 July 2010 included above	<u>230,888</u>	<u>(85,227)</u>
b) Endowment assets		
Market value of listed investments at 1 August 2009	1,028,650	1,213,000
Additions	-	-
Disposals proceeds	-	-
Prizes awarded	-	-
Realised losses on disposal of investments	-	-
Unrealised (losses)	(184,350)	(184,350)
Market value of listed investments at 31 July 2010	<u>844,300</u>	<u>1,028,650</u>
Cash held by investment managers - capital account	-	-
Total portfolio value at 31 July 2010	<u>844,300</u>	<u>1,028,650</u>
Cost of listed investments at 31 July 2010	<u>1,289,950</u>	<u>1,289,950</u>
Total net unrealised gains/(losses) at 31 July 2010 included above	<u>(445,650)</u>	<u>(261,300)</u>
c) Total fixed asset investments and endowment assets		
Market value of listed investments at 1 August 2009	3,059,958	3,978,820
Additions	3,987,277	1,244,203
Disposals proceeds	(3,664,548)	(1,527,166)
Realised losses on disposal of investments	172,342	(386,217)
Unrealised gains	46,538	(249,682)
Market value of listed investments at 31 July 2010	<u>3,601,567</u>	<u>3,059,958</u>
Cash held by investment managers - capital account	2	329,784
Total portfolio value at 31 July 2010	<u>3,601,569</u>	<u>3,389,742</u>
Represented by		
Listed investments		
UK fixed interest stocks	502,061	1,216,133
Overseas fixed interest stocks	-	34,525
UK equities	-	550,374
Overseas equities	-	218,292
UK land and property	-	11,984
Pooled investment vehicles	<u>3,099,504</u>	<u>1,028,650</u>
	<u>3,601,565</u>	<u>3,059,958</u>
Cash balances	2	329,784
Total	<u>3,601,567</u>	<u>3,389,742</u>

At 31 July 2010 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	3,099,504	86.1%

Working Men's College Corporation
11 Debtors

	31 July 2010 £	31 July 2009 £
Amounts falling due within one year		
Trade debtors	105,591	221,129
Other debtors	5,154	2,631
Prepayments and accrued income	191,862	68,114
Total	302,607	291,874

12 Creditors: amounts falling due within one year

	31 July 2010 £	31 July 2009 £
Payments received in advance	61,907	50,617
Trade creditors	122,795	93,713
Other taxation and social security	64,553	63,276
Accruals	106,608	216,791
Bank Loan	32,540	30,814
Other creditors	72,031	72,582
Total	460,434	527,793

12a Creditors: amounts falling due after more than one year

Lloyds Loan	893,247	925,787
Barclays Loan	500,000	500,000
Total Bank Loans	1,393,247	1,425,787

12b Bank Loans

	Barclays	Lloyds	Total 31 July 2010	Total 31 July 2009
In one year or less	-	32,540	32,540	30,814
Between one and two years	13,694	34,228	47,922	32,539
Between two and five years	60,590	115,001	175,591	135,627
In five years or more	425,716	744,018	1,169,734	1,257,621
Sub Total	500,000	893,247	1,393,247	1,425,787
Total	500,000	925,787	1,425,787	1,456,601

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 2009 £	Cash received £	Released to income and expenditure account £	31/07/2010 £
Learning and Skills Council grants				
Building improvements	1,338,723	0	(35,361)	1,303,362
Other grants				
Computer equipment	25,097	60,156	(31,745)	53,508
Total	1,363,820	60,156	(67,106)	1,356,870

Working Men's College Corporation
14 Endowments

	Specific £	General £	Total £
At 1 August 2009	141,896	965,186	1,107,082
Investment managers' fees recharged from general funds	-	-	-
Prizes awarded	-	-	-
Unrealised gains in year on endowment asset investments	5,736	38,741	44,477
At 31 July 2010	<u>147,632</u>	<u>1,003,927</u>	<u>1,151,559</u>
Representing			
Prizes funds	48,214	-	48,214
Library funds	78,915	-	78,915
Other funds	21,370	1,003,060	1,024,430
Total	<u>148,499</u>	<u>1,003,060</u>	<u>1,151,559</u>

15 Movement on reserves

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
General reserve - Income and Expenditure Account		
At 1st August 2009	3,001,549	3 487,757
Movement on income and expenditure account after depreciation and tax	291,853	6,336
Exceptional Loss	-	(144,942)
Investment managers' fees charged to endowment funds	-	-
Amounts raised by Governors treated as designated funds	(3,569)	(15,198)
Realised investment gains/(losses)	108,320	(242,234)
Unrealised investment gains/(losses)	1,293	(90,169)
At 31st July 2010	<u>3,399,446</u>	<u>3,001,549</u>
Restricted reserves		
At 1 August 2009	1,466,550	1 664 127
Realised investment gains	64,022	(143,981)
Adjustment for Francis Martin Fund	-	-
Unrealised investment gains	768	(53 595)
At 31st July 2010	<u>1,531,340</u>	<u>1,466,550</u>
Designated Fund-150th Anniversary Appeal Fund		
Funds raised during the year	<u>3,569</u>	<u>15,198</u>

16 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Surplus on continuing operations after depreciation of assets at valuation and tax	291,853	6,336
Exceptional Loss	-	(144,942)
Disposals	-	80 368
Depreciation (note 9)	283 001	251,801
Deferred capital grants released to income (note 1&13)	(67,106)	(51,480)
Investment income receivable (note 4)	(141,705)	(154 625)
Interest receivable (note 4)	(183)	(7,968)
Interest payable	-	8,817
(Increase)/decrease in debtors	(10,733)	(142 303)
(Decrease)/increase in creditors	(67,359)	(70,305)
(Increase) in long term creditors	(1,726)	(1 492)
Net cash (outflow)/inflow from operating activities	<u>286,042</u>	<u>(225,793)</u>

17 Returns on investments and servicing of finance

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Income from investments	141,705	154,625
Other interest received	183	7,968
Net cash inflow from returns on investment and servicing of finance	<u>141,888</u>	<u>162,593</u>

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

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Purchase of tangible fixed assets	(151,670)	(334,115)
Payments to acquire fixed assets investments	(3,987,277)	(1,244,203)
Sales of fixed assets investments	3,664,548	1,527,166
Deferred capital grants received	60,156	33,916
Net cash /(outflow) from capital expenditure and financial investment	(414,243)	(17,236)

19 Analysis of changes in net funds

	At 1 August 2009 £	Cashflows £	31/07/2010 £
Cash			
Cash in hand, and at bank	156,337	312,655	468,992
Cash held with fund managers as part of investment portfolio	329,784	(329,782)	2
Sub Total	486,121	(17,127)	468,994
Bank Loan			
Debt within 1 year	-	(32,540)	-
Debt after 1 year	(1,456,601)	(1,393,247)	(1,425,787)
Sub Total	(1,456,601)	(1,425,787)	(1,425,787)
Total	(970,480)	(1,442,914)	(956,793)

20 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 £213,776 (year ended 31 July 2009 - £207,574). The total contribution to the TPS was £186,280 (2009 £180,886).

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%
--	--------

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 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

21 Capital commitments

	Year ended 31 July 2010 £	Year ended 31 July 2009 £
Accommodation extension and improvement project 2009/10		
Major maintenance project	612,209	-
	<u>612,209</u>	<u>-</u>

22 Learner Support Funds

	Learning & Skills Council £	Other organisations £	Year ended 31 July 2010 Total £	Year ended 31 July 2009 Total £
Access Funds				
Balance brought forward from prior year	37,895	-	37,895	19,891
Current Year				
Learning & Skills Council grants				
- Hardship funds	125,100	-	125,100	145,925
- Childcare	50,100	-	50,100	106,088
Disbursed to students	(130,128)	-	(130,128)	(207,342)
Administration fees	(8,760)	-	(8,760)	(13,337)
Examination fees	(30,637)	-	(30,637)	(31,471)
Current year total	5,675	-	5,675	(137)
Grants received from other organisations				
- London Borough of Camden - Childcare	-	-	-	-
LSC grant recycling from prior years	-	-	-	18,141
Grant written off	-	-	-	-
Balance unspent at 31 July, included in creditors	<u>43,570</u>	<u>-</u>	<u>43,570</u>	<u>37,895</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.

23 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.

24 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 2010 was £1,395 (2009 - £1,512) and provides cover of up to a maximum of £1,000,000 for all claims during a year.

25 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.