

The Camden College

REGISTRAR OF COMPANIES

WORKING MEN'S COLLEGE CORPORATION

A company limited by guarantee and not having a share capital

Report and Financial Statements

for the year ended 31 July 2015

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Company registration number: **8894**

Charity registration number: **312803**

WORKING MEN'S COLLEGE CORPORATION

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WORKING MEN'S COLLEGE CORPORATION

OPERATING AND FINANCIAL REVIEW INCLUDING THE STRATEGIC REPORT

for the year ended 31 July 2015

The Board of Governors, who are directors for the purposes of the Companies Act and trustees for the purposes of the Charities Act, hereinafter referred to as the Corporation, present their annual report and the audited financial statements of the Working Men's College Corporation ("the College" or "WMC") for the year ended 31 July 2015.

NATURE, OBJECTIVES AND STRATEGIES

Legal Status

The Working Men's College Corporation is a 'Specialist Designated Institution' (SDI) under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and it is a registered charity. The College is subject to the legal framework governing the Further Education sector, including the rules set from time to time by the Department for Business, Innovation & Skills (DBIS), the Department for Education (DfE), the Skills Funding Agency (SFA) and the Education Funding Agency (EFA). The College is also subject to the requirements of the Companies Act and the Charities Act.

The College's financial affairs are governed by Financial Memoranda with the SFA and EFA. In addition the College, as a charitable company limited by guarantee, is governed by the charitable company's memorandum and articles of association.

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

Mission

The Corporation keeps the mission statement and strategic objectives under regular review. The current mission is:

"To be a learner-centred college dedicated to widening access to education for all, that will provide opportunities for lifelong learning and improving employment prospects, for the diverse range of London adults who may not be able to study full time, particularly local people 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.
- Provide an inclusive learning environment with all the support necessary to promote equality and diversity, freedom of expression and social responsibility.
- Meet the needs of the local communities with programmes which promote community cohesion and address the problems of disadvantage and deprivation, especially by providing opportunities for local residents to improve their language, literacy and numeracy skills.
- 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 meet the demands of a skills-based economy, and with local people to ensure they can get the skills needed to get local jobs.
- Celebrate its unique history and engage positively with the past, while finding new ways to pursue its founders' aims into the 21st century.

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Public Benefit

The College is a registered charity. Since 1 September 2013, it has been regulated by the Secretary of State for Business, Innovation and Skills as Principal Regulator for all Further Education Corporations in England. The Governors of the Corporation, who are trustees of the charity, are disclosed on page 16.

In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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

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

Further information and examples of the delivery of public benefit are covered throughout the remainder of the Operating and Financial review.

Strategic Planning

The College produced a three-year development plan for the period 2012-15 which was approved by the Corporation in July 2013. The College's key priorities to 2015 are set out below:

- Provide the best possible learning experience.
- Develop an organisational culture that aspires to excellence in all its activities.
- Develop alternative methods of curriculum delivery which add value to the students' learning experience.
- Provide disadvantaged communities and groups, especially in Camden, with a second chance at education and the skills and opportunities to get jobs:
- Provide learning opportunities for people and groups who find education hard to reach and whom we have not worked with before.
- Offer high quality provision with liberal arts at its centre to a wide range of diverse learners.
- Work with employers and partners
- Work with local employers, particularly in the Kings Cross area, to develop the skills of their workforce.
- Develop partnerships with local organisations to increase participation in adult education.
- Meet the challenge of a financial climate whose only predictable feature is that there will be sharply decreasing public expenditure:
- Diversify the College's income sources, including raising the total fee income to a minimum of 25% of total income.
- Invest in premises/initiatives which will enable this diversification.

The Corporation is currently in the process of updating its strategic plan for the next three years.

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Accommodation Strategy

A key feature of previous strategic plans was the implementation of substantial remodelling of the College's grade 2 listed building at Crowndale Road, originally purpose built for the College in 1904.

The College developed an accommodation strategy in 2005, and Phase 1 of this was implemented during 2006-08 providing a new building at the rear of the College incorporating a café and library for students, refurbishment of the old gymnasium to provide new classrooms, internal accessibility to Disability Discrimination Act (DDA) standards, two new lifts and new energy-efficient boilers.

Phase 2 of the accommodation strategy was carried out during 2010-12 and provided a new main entrance incorporating a disabled access lift and a new reception area, roof space offices for staff, a new internal staircase, linking between different levels within the College and repairs to the boundary wall. This phase also included major external maintenance works, including repair of chimney stacks, roofs, windows and brick/stonework.

The College is reviewing and preparing an updated accommodation strategy alongside an updated strategic plan. This review will continue through 2015/16, but it is anticipated that this will focus on maintenance and internal enhancements rather than major building programmes on the scale of the previous projects.

General Financial Objectives

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

To maintain:

- Cash days greater than 25
- A current ratio greater than 1.6 : 1
- Operating surplus adjusted for depreciation and capital grants greater than 7% of income
- Borrowing less than 20% of total reserves plus debt
- General reserves greater than 80% of income

To achieve Skills Funding Agency financial health category "Outstanding" and to return to category "Outstanding" within 3 years of any major capital works programme.

In 2014/15, all 6 of the financial objectives were met as follows:

<u>Objective</u>	<u>Met</u>
Cash days greater than 25	Yes
A current ratio greater than 1.6 : 1	Yes
Adjusted operating surplus greater than 7% of income	Yes
Borrowing less than 20% of total reserves plus debt	Yes
General reserves greater than 80% of income	Yes
Financial health category of "Outstanding"	Yes

Investment Fund Objectives

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

- To review fund management objectives regularly
- To achieve a balance between income and capital growth

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- To achieve a total return of "inflation plus 4%"
- To seek to invest the funds in the following proportions:
 - All in Newton's Global Growth and Income Fund for Charities (GGIFC)

At 31 July 2015, the proportions of investments by type were as follows:
- 100% in the Newton Global Growth & Income Fund for Charities.

At 1 August 2014 the investment portfolio was valued at £3.646 million. The investment income received during the year was £147,000 and the portfolio value had risen to £3.944 million by 31 July 2015. This represents a total return for the year of £445,000 or 12.2%.

Ofsted Inspection

Working Men's College most recent inspection took place in March 2013 and the Corporation and staff were delighted that the College received an outstanding report from Ofsted.

The College's grades awarded by Ofsted were:

Overall Provision	Outstanding
Outcomes for Learners	Outstanding
Quality of Teaching, Learning and Assessment	Outstanding
Effectiveness of Leadership and Management	Outstanding
Subject: Visual Arts	Outstanding
Subject: English for Speakers of Other Languages	Outstanding

PERFORMANCE INDICATORS

In 2014/15 the College's expected performance against the Skills Funding Agency's and Education Funding Agency's revenue and learner number targets is set out below:

EFA Funding

Funding Category		Target (EFA contract)	Outturn (Final Claim)	Performance (%)
16-18 Learner- Responsive Funding	Learner Numbers	112	98	88%
	Funding Value	£331,723	£326,004	98%

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

SFA Funding

Funding Category		Target (SFA contract)	Outturn (Final Claim)	Performance (%)
Adult (19+) Learner- Responsive Funding (including 19+ Apprenticeships)	Adult Skills Budget	£3,974,060	£4,247,203	107%
	Of which: Adult Apprenticeships	£10,061	£nil	0%
	Of which: JCP mandated ESOL	£612,500	£60,000	10%
Adult (19+) Community Learning Funding		£230,540	£230,540	100%

Under SFA funding rules, the College will receive the lower of the final outturn or the funding allocation in each of the above categories. Accordingly, the College has recognised only the funding allocation

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for the Adult Skills Budget and has made provision for full recovery of the Adult Apprenticeships element and the underperformance on the mandated ESOL element.

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

Other Funding

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

Year	Direct Grants £'000	Total Income £'000	%
2011/12	3,474	4,639	75%
2012/13	4,094	5,172	79%
2013/14	4,595	5,809	79%
2014/15	4,173	5,419	77%

The proportion of college income derived from grant funding fell from 79% in 2013/14 to 77% in 2014/15 partly as a result of improved investment returns, but also as a consequence of increased education contract activity. The College is actively seeking to reduce its dependence on direct funding body grants and was pleased to be successful in winning tenders during the year for two contracts with London Borough of Camden which commence in August 2015 and are jointly worth approximately £250k in a full year. In addition, the College has contracted with an international language school to provide facilities for a summer school in summer 2015 which will generate income in 2015/16.

Student fees fell slightly in the year from £834k to £759k. The amounts received by the College through 24+ learning loans, for learners aged 24 or over who are studying at level 3 or higher, are included within fee income, although these have generally not proved popular with learners and amount to only £64k of fee income in 2014/15. The College keeps the level of fees under constant, careful review in order to optimise income while ensuring that adult education remains accessible to as many people as possible.

Student Performance

The College's students have had another successful year and continue to perform to high levels of retention and achievement, albeit that the current year's performance shows a decline on the previous year. The table below shows student success for all College courses, as stated in the College self-assessment report.

Year	Retention	Achievement	Success
2013/14 Outturn	95.8 %	98.3 %	94.2 %
2014/15 Target	96.0 %	97.5 %	93.6 %
2014/15 Actual	93.8 %	96.1 %	89.9 %
2014/15 Change over 2013/14	-2.0 %age pts	-2.2 %age pts	-4.3 %age pts

The proportion of learners taking accredited qualifications has increased significantly this year and this, combined with strict application of the rules for calculating retention, achievement and success rates has contributed to reductions in both retention and achievement rates. Nevertheless, managers consider this is the right approach and is in the best interest of learners and continue to encourage and support learners into accredited courses. They will continue to identify and address areas for improvement and have set ambitious targets for incremental increases in these rates in the coming year.

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Other external performance indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Skills Funding Agency. The Finance Record produces a financial health grading. The current rating of "outstanding" is the highest grading that can be achieved and the College has an objective to maintain this grading.

STRATEGIC REPORT

FINANCIAL POSITION

Financial Results

The College is very pleased to have generated a modest surplus on continuing operations for the year to 31 July 2015 of £154,000 which is in line with the approved budget at the start of the year. The surplus of £154,000 represents just 2.8% on total income of £5,418,000 (2014: 10.1% surplus on £5,809,000 total income which included a one-off receipt of £460k in respect of ESOL protection funding). As a non-profit making charity without shareholders, the College aims to make a modest annual surplus in order to maintain working capital, enable investment in resources and protect the ongoing activity but does not intend to accumulate profit. The Governors are pleased to report that this aim continues to be achieved and the College has delivered a modest surplus in each of the last twelve years.

The College purchased £383,000 of new tangible fixed asset additions during the year, of which £218,000 was on building improvements and the balance on computer equipment and other furniture, fixtures and fittings. At the end of the year, the College owned tangible fixed assets with a net book value of £6.430 million of which £6.139 million related to buildings and £291,000 related to computer and other equipment, fixtures and fittings.

Investments

The College's performance on its endowment investment portfolio is set out in note 12 to the accounts. The portfolio generated an income return of £147,000 during the year as well as appreciating in value by £28,000. The portfolio had a market value of £3.944 million at the balance sheet date.

Reserves

As at 31 July 2015, general income and expenditure funds totalled £5,035,000 compared to the 2014 total of £4,836,000.

The 150th Anniversary Appeal Fund, a designated reserve for the development of the College buildings, was deemed to have been fully applied to its designated purpose through the implementation of the accommodation strategy and accordingly was amalgamated back into the unrestricted income and expenditure reserve.

The College also held restricted funds and endowments totalling £3,542,000 (2014: £3,204,000). These funds have been given to the College for particular purposes specified by donors and therefore are not available to the Corporation for general use.

Treasury Policies and Objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

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Cash Flows

There was a net cash inflow for the year of £1,299,000 (2014 inflow of £282,000).

Long Term Loans

The College has two existing long term loans at fixed rates of interest: one with Lloyds Banking Group for £1,000,000, drawn down in July 2007 and the other with Barclays for £500,000, drawn down in July 2008. Both loans were taken out to support the major capital building improvement works programmes at the College's Crowndale Road site.

At 31 July 2015 the total loan principal outstanding was £1,170,000 (2014: £1,232,000), of which £744,000 is owed to Lloyds and £426,000 to Barclays.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

In 2014/15, the College had over 13,000 enrolments from approximately 5,000 learners and delivered activity that produced £4,173,000 of funding body funding (2013/14: £4,595,000).

Student Achievements

Students continue to prosper at the College with an overall success rate for the year of 89.9% (2013/14: 93.6%). Learners continue to rate the College, their courses and their teachers very highly in nationally benchmarked student surveys. For example, "I'm learning new skills and new abilities" scored 13 points above the average for all providers and "I am learning new skills and new abilities" scored 17 points above the average for all providers.

At the College's recent Celebration of Success night, many students told stories of how the College has changed their lives, for example giving them the language skills that enable them to communicate outside their family and participate in their community, as well as enabling them to gain employment.

Curriculum Developments

The College's curriculum offer covers the full range of levels from entry level to level 4. However, the majority of provision is at level 2 or below. There are well-mapped progression routes, but the College aims to expand the volume of level 3 and higher courses, especially in accredited provision.

As part of implementing this strategy, the College introduced hair and beauty courses at the Crowndale Road site in 2014/15, following the creation of a hair and beauty salon during summer 2014. Recruitment has been strong in the first year, as have success rates with all accredited courses having success rates above national benchmarks. New and higher level courses are being introduced in 2015/16 as learners progress from the first year in this area.

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 2014 to 31 July 2015, 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.

Post-Balance Sheet Events

There are no post-balance sheet events to report.

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Restructuring

A review of the College's senior and middle management structure took place during 2014/15, under the new Principal, resulting in the deletion of some vacant management posts and the creation of new ones. In particular the posts in the student services and corporate service functions were reorganised to facilitate the appointment of more staff with expertise in their area and to reduce the skills gap between senior managers and administrative staff. The reorganisation was able to be achieved without redundancies or additional payments due to the existence of staff vacancies and natural turnover. The Principal and Governors and delighted at the calibre of new appointees.

Future Developments

The College will continue to review the curriculum it offers to ensure that it meets the needs of learners. In particular the proportion of externally accredited courses will rise as will the proportion of courses at level 3 and above.

Studio classes are being introduced from September 2015 to enable students who want to access College resources to develop and practise their skills, but don't require intensive teaching, to continue to participate in learning.

The further development and embedding of e-learning is a key priority and a new E-learning manager post was established as part of the management restructure during the year. An excellent, experienced candidate was appointed to this post and senior managers are confident of significant advancement in the coming years.

The College recognises that there will be further pressure on the adult funding budget and is pursuing a number of efficiency initiatives across the College through better procurement processes, better exploitation of software systems and the abolition of unnecessary processes and bureaucracy.

RESOURCES

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

Tangible resources include the main site at Crowndale Road with a book value of £6.139 million, principally related to building works completed in 2008 and 2012 in Phases 1 and 2 of the Accommodation Strategy. There is a second centre in Kentish Town which is owned by the London Borough of Camden and used by the College on a tenancy at will basis.

Financial resources include investments and endowments totalling £3.944 million at the balance sheet date plus cash holdings of £2.638 million offset in part by long term debt of £1.170 million.

Human resources comprise a staff base of 99 full-time equivalents, although the headcount is much higher as the College makes extensive use of subject specialists, many of whom teach part time at the College whilst also working in their specialist industry.

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

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PRINCIPAL RISKS AND UNCERTAINTIES

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

Based on the strategic plan and annual improvement plans, the Risk Management Group (RMG) undertakes a termly review of the risks to which the College is exposed. The members identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are implemented and internal audit work and other monitoring throughout the year helps appraise their effectiveness and progress against risk mitigation actions. The RMG will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at College level which is formally reviewed at least termly by the RMG and by the Audit Committee. The Risk Register identifies the key risks, systems and procedures to control them, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the highest rated risk factors that could affect the College, as identified by the Risk Management Group in summer 2015. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies. In 2014/15, 77% of the College's income was ultimately publicly funded and this level of requirement is expected to continue although the College does have an objective of reducing dependence on state funding. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding and associated income:

- The implementation of the announcements in the Chancellor's autumn statement and comprehensive spending review and how these will be reflected in individual College funding allocations
- The extent to which learners are willing to take up "advanced learning loans" both for existing learners aged 24 plus and for younger learners aged 19 plus when the scheme is extended to them in 2016.

The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering, high quality education and training.
- Considerable focus and investment of time is placed on maintaining and managing key relationships with funding bodies and sector organisations.
- Increasing links with employers to ensure that provision remains relevant to work and skills needs
- Promoting examples of how successful learners progress into the labour market

2. Tuition Fee Policy

Government ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, WMC will seek to increase fees in accordance with the fee assumptions and also develop a range of full cost courses. The risk for the College is that demand falls off as fees increase and this will impact on the growth strategy of the College.

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The risk is mitigated in a number of ways:

- By ensuring that the College is rigorous in delivering, high quality education and training and thereby demonstrating value for money for students.
- Close monitoring of demand for courses as prices change and responding swiftly and appropriately.
- Market research to establish demand, willingness to pay and price elasticity.
- Marketing incentives and campaigns to encourage and incentivise enrolments.
- Flexible fee payment opportunities and methods including instalment plans.

3. Competition from other providers

With the reductions in funding, competition from other providers is expected to become more intense.

Mitigation actions include

- Promoting the College's niche position in terms of size, reputation and curriculum offer as a specially designated institution
- innovation and development within the College's core curriculum to tap new markets

4. Adverse impact on financial viability from disproportionately large ESOL provision.

ESOL provision is the most vulnerable, with threats to its delivery models and funding rates. However, the demand and need for this provision amongst the local communities that the College serves remains high.

5. Severe adverse publicity

The College is well known in the local community and recruits the majority of its learners from the communities around the College. Any adverse publicity could therefore impact on recruitment.

As part of risk mitigation, the College appointed a full time Marketing Manager during the year and is developing a new marketing strategy.

STAKEHOLDER RELATIONSHIPS

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

- the College's own students and staff;
- funding bodies, especially the Skills Funding Agency;
- the London Borough of Camden;
- a range of local employers;
- Local Enterprise Partnerships (LEPs)
- local community groups;
- the other SDIs, especially the three based in London;
- local FE colleges; and
- trade unions and professional bodies.

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

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Community Responsiveness and Employer Engagement

The College has been implementing a successful community engagement strategy for many years; it has established provision at 28 local outreach venues and built a number of proactive partnerships and close working relationships with the voluntary and community sector in central Camden. The community provision continues to take provision to students who would not otherwise access the College. Partners include community centres, refugee organisations, primary and secondary schools, tenants' associations, a housing trust, a local hospital, health centres, Camden Adult & Community Learning, the British Museum and local employers. These working relationships help identify and target disadvantaged learners in Camden. This year there has been very little additional funding to support this work, but it has continued with SFA funding, as a key part of the College mission.

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

The College has appointed an experienced Head of Department for Vocational and Employability work who commences in September 2015. This will further enable the College to begin to rebuild and develop stronger employer relationships.

Educational Links

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

The Skills Funding Agency (SFA) remains the College's principal funder, with a small element funded by the Education Funding Agency (EFA) for 16-18 year olds.

The group of four London 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.

There are ongoing partnerships with the Institute of Education and the University of Greenwich through which placements are provided at the College for trainee teachers supported by strong mentoring relationships with established and experienced teachers.

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

Staff and Student Involvement

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

The Corporation includes two staff members and two student members, and the Curriculum Quality and Standards Committee includes all academic managers and three further 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, visit learners in classes and meet regularly with College managers to give student feedback.

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Equality of Opportunity

The College is committed to promoting equality of opportunity in all aspects of its operations for all who learn or work at the College. It recognises its legal responsibilities 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, gender, sexual orientation, disability, religion or belief and age. Monitoring systems have been introduced and performance targets identified. The College has established an Equality & Student Involvement Steering Group to progress this work, together with a Disability Forum which specifically addresses issues relating to students and staff with disabilities and learning difficulties. The College's Equal Opportunities Policy is published on its website and it produces an annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

Employment of Disabled Persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those 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. The College endeavours to be flexible and match the learning support to each student's individual needs and achieve the objectives set down in the Equality Act 2010.

The 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.

WORKING MEN'S COLLEGE CORPORATION

OPERATING AND FINANCIAL REVIEW INCLUDING THE STRATEGIC REPORT for the year ended 31 July 2015

DISCLOSURE OF INFORMATION TO AUDITORS

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

The operating and financial review including the strategic report was approved by the Corporation and signed on its behalf on 16 December 2015 by:

A handwritten signature in black ink, appearing to read 'Tom Schuller', written in a cursive style.

Tom Schuller
Chair

WORKING MEN'S COLLEGE CORPORATION

PROFESSIONAL ADVISORS AND DESIGNATED SENIOR POSTHOLDERS

for the year ended 31 July 2015

Financial Statements & Regularity Auditor:

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Internal Auditor:

TIAA Ltd
53-55 Gosport Business Centre
Aerodrome Road
Gosport PO13 0FQ

Investment Managers:

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

Solicitors:

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

Loan Finance:

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

Loan Finance:

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

Bankers:

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

Tax Advisors:

Davies Mayers Barnett LLP
Pillar House
113-115 Bath Road
Cheltenham, Glos. GL53 7LS

DESIGNATED SENIOR POSTHOLDERS:

Satnam Gill OBE - Principal (to January 2015)
Helen Hammond - Principal (from 1 December 2014)
Theresa Hoenig - Deputy Principal
Stewart Cross - Vice Principal (to 31 August 2014)
Alan Conway - Clerk to the Corporation (0.6 f.t.e.) (to 31 August 2015)
Bill Barker - Clerk to the Corporation (0.5 f.t.e.) (from 1 September 2015)

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2015

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The English Colleges' Foundation Code of Governance ("the Foundation Code"); and
- iii. having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

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

In the opinion of the Governors, the College complies with all the provisions of the Foundation Code and it has complied throughout the year ended 31 July 2015. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The English Colleges' Foundation Code of Governance issued by the Association of Colleges in December 2011, which it formally adopted on 18 July 2012 and the Audit and Accountability Annex to the Foundation Code that was issued in March 2013 and adopted by the College on 13 December 2013.

The College is a registered charity within the meaning of Part 3 of the Charities Act 2011. The Appointed Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

Governors of the Corporation

The Governors who served on the Corporation during the year ending 31 July 2015 and up to the date of signature of this report are listed on the following page.

Key to committees:

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

Number of Meetings 2014-15

Corporation	5	Quality, Curriculum and Standards	4
Finance, Personnel & Devt	4	Search	1
Audit	3	Remuneration	1

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2015

Governors (Appointed and Nominated) who served between 1 August 2014 and 16 December 2015

Name	Date last Appointed/ Reappointed	Date First Appointed	Term of Office	Date Resigned	Status of Appointment	Comm- ittees	Corp'n Meetings Attended
Philip Badman	25/03/2015	14/12/2011	3 Years		Appointed	A(Ch)	5 of 5
Douglas Beattie	15/07/2015	15/07/2015	3 Years		Appointed		0 of 0
Kate Bell (Vice Chair)	25/03/2015	16/07/2008	3 Years		Appointed	F, R, S, A	1 of 4
Barbara Byrne	26/03/2014	11/12/2013	3 Years		Appointed	A, Q	5 of 5
Severine Campos	26/03/2014	27/03/2013	1 Year	25/03/2015	Nominated Student	Q	1 of 2
Layne Comarasawmy	25/03/2015	25/03/2015	1 Year		Nominated Student		2 of 3
Lucy de Groot (Vice Chair)	25/03/2015	28/03/2007	3 Years		Appointed	F, R, S	4 of 4
Jean Esnard	10/12/2013	10/12/2013	3 Years		Nominated Bus. Staff		3 of 5
Nigel Franklin	26/03/2014	Pre-1992	3 Years		Appointed	F, Q	4 of 5
Satnam Gill	01/02/1999	01/02/1999	Ex Officio	02/01/2015	Principal	F, Q, S	2 of 2
Alison Hall	16/07/2014	16/07/2014	3 Years	20/07/2015	Nominated Teaching Staff		5 of 5
Helen Hammond	01/12/2014	01/12/2014	Ex Officio		Principal	F, Q, S	3 of 3
Safina Kavuma	25/03/2015	25/03/2015	1 Year		Nominated Student		2 of 3
Alexi Marmot	26/03/2014	11/12/2013	3 Years		Appointed	Q	5 of 5
David Offenbach	27/03/2013	17/10/2001	3 Years		Appointed	F(Ch), S	4 of 5
Peter Ptashko	26/03/2014	11/12/2013	3 Years		Appointed	Q	2 of 5
Abdul Quadir	26/03/2014	17/07/2002	3 Years		Appointed	F	5 of 5
Michal Sasadeusz	26/03/2014	27/03/2013	1 Year	25/03/2015	Nominated Student	A, Q	0 of 2
Tulip Siddiq	17/12/2012	17/12/2012	3 Years	21/05/2015	Appointed		1 of 4
Tom Schuller (Chair)	27/03/2013	17/12/2008	3 Years		Appointed	R, S	5 of 5
Laily Thompson	11/12/2013	11/12/2013	3 Years		Appointed	Q	1 of 5
Paula Whittle	27/03/2013	15/07/2009	3 Years		Appointed	Q(Ch)	5 of 5

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2015

During the year one new Appointed Governor and two new Nominated Student Governors were appointed.

The Articles of Association for WMC Corporation were last amended and approved by the Department of Business, Innovation and Skills (BIS) and adopted by the Corporation on 7 July 2010. The Revised Articles of Association included provision for retirement by rotation for Appointed Governors organised via three cohorts to avoid uneven bunching of consideration of re-appointments.

The Principal is the Accounting Officer and, ex officio, a Nominated Governor. The date of appointment as a Nominated Governor and the date of retirement or removal from office are determined by the Appointed Governors. Satnam Gill retired from the position of Principal on 2 January 2015 and was succeeded from that date by Helen Hammond who commenced employment at the College on 1 December 2014.

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 was the Clerk to the Corporation and Company Secretary until his retirement on 31 August 2015. He was succeeded from that date by Bill Barker.

Fellows of the College

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

Name	Date Appointed	Term of Office
Selwyn Midgen	31/03/2010	6 Years
Bipin Patel	30/03/2011	6 Years
Dame Ruth Silver	31/03/2010	6 Years
Baroness Janet Whitaker	31/03/2010	6 Years
Martin Jones	11/12/2012	6 Years *

* Martin Jones has temporarily stepped down from his position in order to take up temporary employment with the College from September 2014. This was approved by the Board on 16 July 2014.

Role of the Corporation

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

Thus, the Corporation is responsible for determining the educational character and mission of the College together with its broad strategic approach. It oversees the delivery of the College's aims and objectives, the stewardship of its assets and safeguards the efficient and effective use of its resources.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2015

The Principal is accountable to the Corporation, within the framework set by the Governors, and advises the Governors in the exercise of their responsibilities. The Corporation looks to the Principal and the College management to manage the day-to-day running of the College.

The Corporation is provided, by College management, with regular and timely information on the overall financial performance of the College, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The full Corporation meets at least termly. A Strategy Day was held in October 2014 when Governors considered the College strategy, in particular relating to e-learning. The other committees meet at least once each term with the exception of the Search and Remuneration Committees which meet as required with the Remuneration Committee meeting on at least 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, Curriculum 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, Bill Barker, at:

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

Minutes for Corporation and Corporation AGM meetings can be downloaded from the Governors' page of the College Website: <http://www.wmcollege.ac.uk/pages/working-mens-college-governors.aspx>

The Governors receive no remuneration for their services, but are entitled to claim out of pocket expenses. £73 was claimed by one Governor for the year to 31 July 2015 (£153 in 2013/14, claimed by two Governors). The Clerk to the Corporation maintains a register of financial and personal interests of the Governors, Senior Postholders and senior managers 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.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2015

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

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

Appointments to the Corporation

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

Remuneration Committee

The Remuneration Committee comprises five Governors excluding the Accounting Officer. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other designated Senior Postholders.

Details of remuneration for the year ended 31 July 2015 are set out in notes 6 and 7 to the financial statements.

Audit Committee

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

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

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

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

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

for the year ended 31 July 2015

Governance Performance

The Corporation's own assessment of its Corporate Governance performance has consistently been good or better. The Ofsted Inspection published in April 2013 found Effectiveness of Leadership and Management, encompassing governance, to be outstanding and the Corporation considers that these high standards of College's governance have been maintained during 2014/15.

Internal Control

Scope of Responsibility

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within Working Men's College for the year ended 31 July 2015 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 2015 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; and
- the adoption of formal project management disciplines, where appropriate.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2015

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; and
- comments made by the College's financial statements auditors and the regularity auditors in their management letters and other reports.

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

The College's Executive Management Team (EMT) 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 EMT and the Audit Committee also receive regular reports from the internal auditors, 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 EMT and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Audit Committee receives a report 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.

Thus, any new risks are identified and controls on existing identified risks are reviewed on an ongoing basis. At its December 2015 meeting the Corporation will carry out the annual assessment for the year ended 31 July 2015 by considering documentation from the EMT and internal audit and taking account of events since 31 July 2015

The Board considers at its December meeting the Annual Report of the Chair of the Audit Committee, which includes advice to the board on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes, and on securing economy, efficiency and effectiveness (value for money). The report advises the Board of any significant matters arising from the work of the College's Internal Audit Service (IAS) and financial statements and regularity auditors appointed by the Board, and of the Regularity Auditors appointed by the SFA.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL for the year ended 31 July 2015

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

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

Going Concern

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

Signed



Tom Schuller
Chair



Helen Hammond
Accounting Officer

16 December 2015

WORKING MEN'S COLLEGE CORPORATION

BOARD OF GOVERNORS' STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND CONDITIONS OF FUNDING for the year ended 31 July 2015

The Corporation has considered its responsibility to notify the Skills Funding Agency of material irregularity, impropriety and non-compliance with Skills Funding Agency terms and conditions of funding, under the financial memorandum in place between the College and the Skills Funding Agency. As part of its consideration the Corporation has had due regard to the requirements of the financial memorandum.

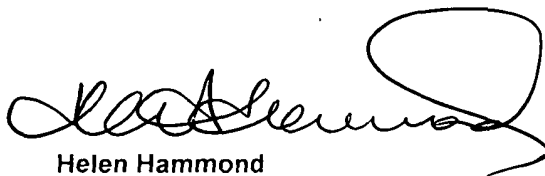
We confirm, on behalf of the Corporation that, *to the best of our knowledge*, the Corporation believes it is able to identify any material irregular or improper use of funds by the College, or material non-compliance with the Skills Funding Agency's terms and conditions of funding under the College's financial memorandum.

We further confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Skills Funding Agency.

Signed



Tom Schuller
Chair



Helen Hammond
Accounting Officer

16 December 2015

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNORS OF THE CORPORATION

for the year ended 31 July 2015

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

Within the terms and conditions of the Financial Memorandum agreed between the Skills Funding Agency and the Corporation of the College ("the Corporation"), the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education and with the "Accounts Direction for 2014-15 Financial Statements" issued jointly by the Skills Funding Agency and the Education Funding Agency, 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 an Operating and Financial Review which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards and comply with the Companies Act 2006. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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.

WORKING MEN'S COLLEGE CORPORATION

STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNORS OF THE CORPORATION

for the year ended 31 July 2015

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

Governors of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the 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 from the SFA are not put at risk.

Approved by order of the Governors of the Corporation on 16 December 2015 and signed on its behalf by



Tom Schuller
Chair

WORKING MEN'S COLLEGE CORPORATION

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION OF WORKING MEN'S COLLEGE **for the year ended 31 July 2015**

We have audited the financial statements of Working Men's College for the year ended 31 July 2015 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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

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

As explained more fully in the Statement of Responsibilities, the Governors of the Corporation (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards' (APB's) Ethical Standards for Advisors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2015 and of the College's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the Companies Act 2006; and
- the information given in the Operating and Financial Review is consistent with the financial statements.

WORKING MEN'S COLLEGE CORPORATION

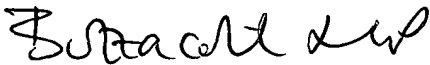
INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION OF WORKING MEN'S COLLEGE

for the year ended 31 July 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Joint Audit Code of Practice, issued by the Skills Funding Agency and the Education Funding Agency, or the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.



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

18 December 2015

WORKING MEN'S COLLEGE CORPORATION

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNORS OF THE CORPORATION OF WORKING MEN'S COLLEGE AND THE SECRETARY OF STATE FOR BUSINESS INNOVATION AND SKILLS ACTING THROUGH THE SKILLS FUNDING AGENCY

for the year ended 31 July 2015

In accordance with the terms of our engagement letter dated 2 April 2008 and further to the requirements of the Financial Memorandum with the Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by the Working Men's College during the period 1 August 2014 to 31 July 2015 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the *Joint Audit Code of Practice* issued jointly by the Skills Funding Agency and the Education Funding Agency. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the Skills Funding Agency has other assurance arrangements in place.

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

Respective Responsibilities of Working Men's College and the Reporting Accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the *Joint Audit Code of Practice*. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2014 to 31 July 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the *Joint Audit Code of Practice* issued jointly by the Skills Funding Agency and the Education Funding Agency. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

WORKING MEN'S COLLEGE CORPORATION

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNORS OF THE CORPORATION OF WORKING MEN'S COLLEGE AND THE SECRETARY OF STATE FOR BUSINESS INNOVATION AND SKILLS ACTING THROUGH THE SKILLS FUNDING AGENCY

for the year ended 31 July 2015

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we do not express a positive opinion.

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

The work undertaken to draw our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2014 to 31 July 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

18 December 2015

WORKING MEN'S COLLEGE CORPORATION

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 July 2015

	Note	2015	2014
		£'000	£'000
INCOME			
Funding body grants	2	4,173	4,595
Tuition fees and education contracts	3	996	994
Other income	4	97	100
Endowment and investment income	5	152	120
		5,418	5,809
EXPENDITURE			
Cost of generating funds	9	7	
Staff costs	6	3,334	3,356
Exceptional restructuring costs	6	35	106
Other operating expenses	8	1,436	1,325
Depreciation	11	385	359
Interest and other finance costs	9	65	70
		5,264	5,223
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and before tax		154	586
Taxation	10	-	-
Surplus for the year		154	586
Transfers to restricted and designated reserves		70	-
Surplus for the year, retained within general reserves	19	84	586

The income and expenditure account is in respect of continuing activities.

WORKING MEN'S COLLEGE CORPORATION

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS for the year ended 31 July 2015

	2015 £'000	2014 £'000
Surplus on continuing operations before taxation	154	586
Historical cost surplus for the year before taxation	<u>154</u>	<u>586</u>
Historical cost surplus for the year after taxation	<u>154</u>	<u>586</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 July 2015

	2015 £'000	2014 £'000
Surplus on continuing operations after taxation	154	586
Appreciation of investments (note 12)	<u>298</u>	<u>59</u>
Total recognised gains relating to the year	<u>452</u>	<u>645</u>
Reconciliation		
Opening reserves and endowments	8,125	7,480
Total recognised gains for the year	<u>452</u>	<u>645</u>
Closing reserves and endowments	<u>8,577</u>	<u>8,125</u>

WORKING MEN'S COLLEGE CORPORATION

BALANCE SHEET

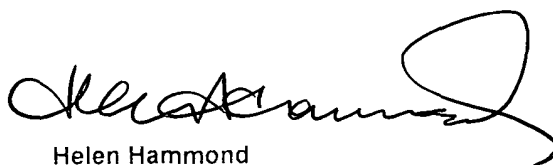
as at 31 July 2015

	Note	£'000	2015 £'000	£'000	2014 £'000
FIXED ASSETS					
Tangible assets	11		6,430		6,432
Investments	12		2,363		2,166
			<u>8,793</u>		<u>8,598</u>
ENDOWMENT ASSETS	12		1,581		1,480
CURRENT ASSETS					
Debtors	13	292		774	
Short term deposits		795		784	
Cash at bank and in hand		1,843		544	
			<u>2,930</u>	<u>2,102</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(1,712)		(995)	
NET CURRENT ASSETS			<u>1,218</u>		<u>1,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,592		11,185
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		(1,105)		(1,170)
NET ASSETS			<u><u>10,487</u></u>		<u><u>10,015</u></u>
DEFERRED CAPITAL GRANTS	17		1,910		1,890
ENDOWMENTS					
Permanent	18	209		196	
Expendable	18	1,372		1,284	
			<u>1,581</u>		<u>1,480</u>
RESERVES					
Income and expenditure account	19	5,035		4,836	
Restricted reserve	20	1,961		1,724	
Designated reserve (150th Anniversary Appeal)	21	-		85	
			<u>6,996</u>		<u>6,645</u>
			<u><u>10,487</u></u>		<u><u>10,015</u></u>

The financial statements on pages 31 to 50 were approved by the Corporation on 16 December 2015 and were signed on its behalf on that date by:



Tom Schuller
Chair



Helen Hammond
Accounting Officer

WORKING MEN'S COLLEGE CORPORATION

CASHFLOW STATEMENT

for the year ended 31 July 2015

	Note	£'000	2015 £'000	2014 £'000
Cash inflow from operating activities	23		1,558	622
Returns on investments and servicing of finance				
Income from investments and endowments	5	147	116	
Other interest received	5	5	4	
Interest payable	9	(65)	(70)	
			87	50
Taxation	10		-	-
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	11	(383)	(345)	
Deferred capital grants received	17	110	13	
			(273)	(332)
Management of liquid resources				
Placing of deposits			(11)	-
Financing				
Capital element of bank loan repayments			(62)	(58)
Increase in cash in the year	24		1,299	282

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

Reconciliation of net cashflow to movement in net funds/(debt)

Increase in cash in the year		1,299	282
Cash outflow/(inflow) from liquid resources		11	-
Repayment of bank loans		62	58
Movement in net funds in the year		1,372	340
Net funds/(debt) at 1 August		96	(244)
Net funds at 31 July	24	1,468	96

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

1 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), the Accounts Direction for 2014-15 Financial Statements and in accordance with applicable Accounting Standards.

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.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College currently has £1.17 million of loans outstanding with bankers on terms negotiated in 2007. The terms of the existing agreement are for up to another 13 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Recognition of income

Tuition fee income is recognised in the period for which it is received and includes all fees chargeable to students.

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

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

1 STATEMENT OF ACCOUNTING POLICIES (continued)

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, which is a final salary scheme, are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, 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, which is not a final salary scheme, are a fixed percentage of salary and are charged to the income and expenditure account on an accruals basis.

Endowments and reserves

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

Restricted reserves comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated reserves comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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 $\frac{1}{3}$ % per year
Computer software	-	33 $\frac{1}{3}$ % per year
Furniture, fixtures and fittings	-	16 $\frac{2}{3}$ % per year

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

1 STATEMENT OF ACCOUNTING POLICIES (continued)

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

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

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

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

Leased assets

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

Short term deposits

Short term deposits comprise monies held in bank deposit accounts.

Investments including endowment assets

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

Maintenance of premises

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

1 STATEMENT OF ACCOUNTING POLICIES (continued)

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.

Discretionary Learner Support

The Discretionary Learner Support 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 the Central Services, MIS 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 financial support are treated in the same way as the grant from the SFA, except that the percentage of administration costs available to the College varies according to each funder's conditions.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

2 FUNDING BODY GRANTS

	2015 £'000	2014 £'000
Skills Funding Agency recurrent grant	3,734	4,227
Education Funding Agency recurrent grant	332	312
Skills Funding Agency non-recurrent grant	23	10
Release of deferred capital grants (note 17)	84	46
	<u>4,173</u>	<u>4,595</u>

3 TUITION FEES AND EDUCATION CONTRACTS

	2015 £'000	2014 £'000
Tuition fees	759	834
Education contracts	237	160
	<u>996</u>	<u>994</u>

4 OTHER INCOME

	2015 £'000	2014 £'000
Property rental income	49	50
Release of deferred capital grants (non-Funding Bodies) (note 17)	6	6
Other income	42	44
	<u>97</u>	<u>100</u>

5 ENDOWMENT AND INVESTMENT INCOME

	2015 £'000	2014 £'000
Income from restricted asset investments	70	89
Income from endowment and unrestricted investments	77	27
Other interest receivable	5	4
	<u>152</u>	<u>120</u>

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

6 STAFF COSTS

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

	2015 No.	2014 No.
Teaching staff	59	68
Non-teaching staff	40	39
	<u>99</u>	<u>107</u>

The total staff costs for the above persons were:

	2015 £'000	2014 £'000
Wages and salaries	2,823	2,897
Social security costs	194	213
Other pension costs	230	234
Payroll sub total	<u>3,247</u>	<u>3,344</u>
Contracted out staffing services	87	12
	<u>3,334</u>	<u>3,356</u>
Exceptional restructuring costs	35	106
Total staff costs	<u>3,369</u>	<u>3,462</u>

Staff Restructuring Costs

The 2014 and 2015 staff restructuring costs relate to the implementation of the College's summer 2014 reorganisation programme which ensures the College staffing structure remains fit for purpose, responsive to changes in funding priorities and achieves efficiencies necessary for continued financial viability. The restructuring budget was approved by the Corporation.

The number of senior postholders and other staff who received total emoluments, excluding pension contributions but including benefits in kind, in the following ranges was

	Senior Postholders		Other Staff	
	2015 No.	2014 No.	2015 No.	2014 No.
£ 1 to £ 10,000	1	-	n/a	n/a
£ 30,001 to £ 40,000	1	1	n/a	n/a
£ 50,001 to £ 60,000	1	-	n/a	n/a
£ 60,001 to £ 70,000	1	-	-	-
£ 70,001 to £ 80,000	-	1	-	-
£ 80,001 to £ 90,000	1	1	-	-
£ 90,001 to £ 100,000	-	-	1	-
£120,001 to £ 130,000	-	1	-	-
	<u>5</u>	<u>4</u>	<u>1</u>	<u>-</u>

Names of the designated senior postholders, their periods of employment and their fractional appointments are set out on page 16. Due to retirements and appointments in year, there is a higher number of posts listed in the above table than the previous year, although there were no formal changes in the number of designated senior postholder positions.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

7 EMOLUMENTS OF SENIOR POSTHOLDERS

Senior postholders are defined as the Accounting Officer and holders of other senior posts whom the Corporation 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 Corporation.

	2015 No.	2014 No.
The number of senior postholders including the Accounting Officer was	5	4

Senior postholders' emoluments are made up as follows:

	2015 £'000	2014 £'000
Salaries	236	309
Benefits-in-kind	3	4
Pension contributions	29	39
Total emoluments	268	352

The above emoluments include amounts payable to the Accounting Officers (who were also the highest paid senior postholders) of:

	Accounting Officer Aug - Dec 14	Accounting Officer Dec 14 - July 15	2015 Total £'000	2014 Total £'000
Salaries	53	64	117	123
Benefits-in-kind	1	1	2	1
	54	65	119	124
Pension contributions	7	9	16	17

Satnam Gill OBE retired from the post of Principal (Accounting Officer) on 2 January 2015 and was replaced in the role by Helen Hammond who started employment at the College on 1 December 2014.

The pension contributions for the Accounting Officers and two other senior postholders are in respect of employer's contributions to the Teachers' Pension Scheme and for the other senior postholder is in respect of the College's Group Personal Pension Scheme. The employer contributions are paid at the same rate as for other employees and the pension entitlements accrue in the scheme on the same basis as for other employees.

The members of the Corporation, other than the Accounting Officers and staff governors, did not receive payment from the College, other than reimbursement of travel and subsistence expenses incurred in the course of their duties.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

8 OTHER OPERATING EXPENSES

	2015 £'000	2014 £'000
Teaching costs	169	125
Non-teaching costs	815	761
Premises costs	452	439
	<u>1,436</u>	<u>1,325</u>

Included in the total of other operating expenses are:

	2015 £'000	2014 £'000
Auditors' remuneration:		
Financial Statements and Regularity audit	19	19
Internal audit	13	10
Other services provided by the Financial Statements Auditor	1	1
Hire of multi-functional photocopier/printer devices	8	14
	<u>41</u>	<u>44</u>

9 INTEREST AND OTHER FINANCE COSTS

	2015 £'000	2014 £'000
On bank loans repayable wholly or partly in more than five years	<u>65</u>	<u>70</u>

10 TAXATION

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

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

11 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Building Improve- ments £'000	Computer Equipment £'000	Furniture Fixtures and Fittings £'000	Total £'000
Cost or valuation					
At 1 August 2014	6,711	654	767	527	8,659
Additions	-	218	142	23	383
At 31 July 2015	6,711	872	909	550	9,042
Depreciation					
At 1 August 2014	878	378	610	361	2,227
Charge for the year	139	49	156	41	385
At 31 July 2015	1,017	427	766	402	2,612
Net book value					
At 31 July 2015	5,694	445	143	148	6,430
At 31 July 2014	5,833	276	157	166	6,432

12 FIXED ASSET INVESTMENTS

	Unrestricted Assets £'000	Endowment Assets £'000	Total £'000
Market value of listed investments			
At 1 August 2014	2,166	1,480	3,646
Appreciation of investments	197	101	298
Total portfolio value at 31 July 2015	2,363	1,581	3,944
Cost of listed investments at 31 July 2015	2,219	1,437	3,656
Total net unrealised gains at 31 July 2015 included above	144	144	288
Analysis of total portfolio value			
Pooled investment vehicles			3,944

At 31 July 2015 listed investments included the following holding deemed material when compared with the overall portfolio valuation as at that date:

	Market value £'000	% of portfolio value
Newton Growth and Income Fund for charities	3,944	100%

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

13 DEBTORS

	2015 £'000	2014 £'000
Amounts falling due within one year		
Trade debtors	42	44
Prepayments and accrued income	232	233
Other debtors	18	14
Amounts owed by funding bodies	-	483
	<u>292</u>	<u>774</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Bank loans (note 16)	65	62
Payments received in advance	116	118
Trade creditors	342	138
Other taxation and social security	70	68
Accruals	101	171
Amounts owed to funding bodies	966	374
Other creditors	52	64
	<u>1,712</u>	<u>995</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2015 £'000	2014 £'000
Bank loans (note 16)	<u>1,105</u>	<u>1,170</u>

16 BORROWINGS

	2015 £'000	2014 £'000
Bank loans are repayable as follows:		
In one year or less	65	62
Between one and two years	69	65
Between two and five years	231	218
In five years or more	805	887
	<u>1,170</u>	<u>1,232</u>

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

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

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

17 DEFERRED CAPITAL GRANTS

	Funding Body Grants £'000	Other Grants £'000	Total £'000
At 1 August 2014	1,880	10	1,890
Cash received	110	-	110
Released to income and expenditure account	(84)	(6)	(90)
At 31 July 2015	<u>1,906</u>	<u>4</u>	<u>1,910</u>

18 ENDOWMENTS

	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2014	196	1,284	1,480
Appreciation of endowment asset investments	13	88	101
At 31 July 2015	<u>209</u>	<u>1,372</u>	<u>1,581</u>
Representing:			
Prize funds	69	-	69
Library funds	108	-	108
Other funds	32	1,372	1,404
	<u>209</u>	<u>1,372</u>	<u>1,581</u>
	Permanent £'000	Expendable £'000	Total £'000
At 1 August 2013	190	1,246	1,436
Appreciation of endowment asset investments	6	38	44
At 31 July 2014	<u>196</u>	<u>1,284</u>	<u>1,480</u>
Representing:			
Prize funds	65	-	65
Library funds	104	-	104
Other funds	27	1,284	1,311
	<u>196</u>	<u>1,284</u>	<u>1,480</u>

19 INCOME AND EXPENDITURE ACCOUNT

	2015 £'000	2014 £'000
At 1 August 2014	4,836	4,240
Appreciation of unrestricted investments	21	10
Surplus on continuing operations retained within general reserves	84	586
Transfer from Designated Reserve	94	-
At 31 July 2015	<u>5,035</u>	<u>4,836</u>

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

20 RESTRICTED RESERVE

	2015 £'000	2014 £'000
At 1 August 2014	1,724	1,718
Appreciation of investments	167	6
Net income for the year	70	-
At 31 July 2015	<u>1,961</u>	<u>1,724</u>

Included within restricted reserve is an amount of £122,000 which are the assets of the Francis Martin College Charitable Foundation. The Working Men's College Corporation is the sole trustee of the Francis Martin College charity (registered charity number 312802) and looks after the assets on its behalf. The assets are invested in the Newton Growth and Income Fund for Charities alongside the investments of the Working Men's College Corporation.

21 DESIGNATED RESERVE

	2015 £'000	2014 £'000
At 1 August 2014	85	85
Appreciation of investments	9	-
Transfer to Income and Expenditure Account	(94)	-
At 31 July 2015	<u>-</u>	<u>85</u>

The designated reserve represents the proceeds from the College's 150th anniversary appeal and was designated by the Governors to be used for building improvements to the Crowndale Road property. The substantial upgrades to the building have now been completed and paid in full and Governors consider that the designated reserves have therefore been applied to their intended purpose.

22 PENSION AND SIMILAR OBLIGATIONS

Most of the College's employees are members of one of the two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and a College Group Personal Pension Scheme for non-teaching staff which is managed by Aviva. The TPS is a defined benefit scheme and the group personal pension scheme is a defined contribution scheme. No FRS17 liability arises as a result of contributions to the Group Personal Pension Scheme.

The total pension cost for the year was:

	2015 £'000	2014 £'000
Teachers' pension scheme - contributions paid	326	201
Group personal pension scheme - contributions paid	44	33
Total pension cost for the year (note 6)	<u>370</u>	<u>234</u>

The TPS pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012.

Contributions amounting to £ 33,000 (2014 - £ 24,000) for the TPS and £ 7,000 (2014 - £ 9,000) for the group personal pension scheme were payable to the scheme at 31 July and are included in creditors. The liabilities were paid to the relevant schemes in the new financial year.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

22 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation and the subsequent consultation are:

- employer contribution rates were set at 16.48% of pensionable pay (including a 0.08% levy for administration);
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

WORKING MEN'S COLLEGE CORPORATION

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22 PENSION AND SIMILAR OBLIGATIONS (continued)

Scheme Changes (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £326,000 (2014: £201,000)

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) 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 contributions to the scheme as if it were a defined-contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

23 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Surplus on continuing operations after depreciation of assets and tax	154	586
Depreciation (note 11)	385	359
Deferred capital grants released to income (note 17)	(90)	(52)
Interest payable (note 9)	65	70
Investment income receivable (note 5)	(147)	(116)
Interest receivable (note 5)	(5)	(4)
Decrease/(Increase) in debtors (note 13)	482	(539)
Increase in creditors (note 14)	714	318
Net cash inflow from operating activities	1,558	622

24 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2014 £'000	Cashflows £'000	At 31 July 2015 £'000
Cash at bank and in hand	544	1,299	1,843
Debt due within 1 year	(62)	(3)	(65)
Debt due after 1 year	(1,170)	65	(1,105)
Short term deposits	784	11	795
	96	1,372	1,468

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

25 FINANCIAL COMMITMENTS

	2015 £'000	2014 £'000
Capital commitments		
Contracted for but not provided at 31 July	112	237
Authorised but not yet contracted for at 31 July	21	-

26 POST BALANCE SHEET EVENTS

There are no post balance sheet events which would have a material impact on the financial statements and require either adjustment or disclosure.

27 RELATED PARTY TRANSACTIONS

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

The total expenses paid to or on behalf of the Corporation members during the year were £73 relating to one governor (2014 - £ 153 relating to two governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings or Governor training events.

No Governor has received any remuneration or waived payments from the College during the current or previous year.

28 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 2015 was £1,758 (2014 - £1,792) and provides cover of up to a maximum of £1 million for all claims during a year.

29 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.

WORKING MEN'S COLLEGE CORPORATION

NOTES TO THE ACCOUNTS

for the year ended 31 July 2015

30 AMOUNTS DISBURSED AS AGENT

	£'000	2015 £'000	2014 £'000
Unspent balance at 1 August		27	56
Skills Funding Agency - hardship support		96	103
- childcare support		81	86
Education Funding Agency student financial support		12	12
Loans bursary fund		54	21
		<u>270</u>	<u>278</u>
Disbursed to Students	(135)		(198)
Administration costs incurred by the College	(9)		(10)
Amount consolidated in financial statements	-		-
Area uplift re 24+ advanced learning loans	(14)		(43)
		<u>(158)</u>	<u>(251)</u>
Balance unspent at 31 July included in creditors		<u>112</u>	<u>27</u>

Funding body grants are available solely for students. In the majority of instances, the College acts only as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Income and Expenditure Account. The income and expenditure consolidated in the College's financial statements relates to the purchase of some equipment from the access fund and the payment of exam fees by the College on a student's behalf.