

**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 2002**



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

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**Corporation's Report for  
the year ended 31 July 2002**

**The Board of Governors**

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 accounts of the Working Men's College Corporation (the College) for the year ended 31 July 2002.

**Legal Status**

1. The Working Men's College Corporation is a 'Designated Institution' under the Further and Higher Education Act 1992. It is also a company limited by guarantee not having a share capital and a registered charity. In addition to falling within the jurisdiction of the Learning and Skills Council, the College is therefore also subject to the requirements of the Companies Acts and the Charities Act. However, as a registered charity with wholly qualifying activity, the Working Men's College is not liable to corporation tax.

**Mission**

2. To be a learner-centred college dedicated to widening access to education for all that will provide opportunities for lifelong learning for the diverse range of London adults who may not be able to study full time, particularly those who have missed out on their initial education.

**Objectives**

3. We are committed to:

A quality educational environment suitable for adults within a relatively small college community, in which all learners can achieve their personal, educational and training goals.

An inclusive learning environment which removes the barriers to participation particularly for those who have failed to benefit from educational opportunities in the past and which enables learners to maximise their potential.

Ensuring that the pressing educational needs of the local population are met.

Ensuring equality of opportunity by opening our offer to the diverse communities with a building and programmes which promote access for all.

Work towards a merger or partnership arrangement with other colleges and other providers that recognise the culture and the history of our organisation and the diversity of our communities.

## WORKING MEN'S COLLEGE CORPORATION

We will:

Provide an education of the highest quality, rigour and standards.

Offer access to basic education, ICT skills and lifelong learning through multiple modes of delivery.

Offer courses which people follow to enhance their skills and understanding, without necessarily wanting them to be formally accredited.

Offer areas of study which are not widely available locally.

Offer a mixture of courses which bridge the artificial boundary between 'vocational' and 'non-vocational' education.

Promote equality of opportunity, openness, freedom of expression and social responsibility.

Value and respect our learners and staff.

Involve learners and staff in the decision-making processes of the College.

Develop a multi-ethnic multi skilled staff team that delivers effective and efficient learning.

Lifelong learning and improving employability skills remain the key strategic aims as the institution approaches its 150<sup>th</sup> year. The Strategic Plan Update 2002 is an attempt to respond to the hectic pace of change in the sector and tackle weaknesses in the organisation that prevent us from responding positively and decisively.

Our strengths include:

A long history of providing lifelong learning opportunities.

Willingness to work collaboratively with other colleges and education providers.

Strong links with communities in the area.

Strong commitment to the College from many existing learners, staff and governors including many learners who return year after year.

A clear structure for governance.

Ability to offer a coherent curriculum that can integrate Schedule 2 and Non-Schedule 2 provision and which can respond to the widening participation agenda.

Many well qualified staff in specialist areas particularly in the visual arts.

Impressive growth in student numbers particularly in basic education and IT.

### Performance Indicators

4. Performance indicators relating to key areas of the College's activity are set out in the Further Education Funding Council's publication 'Summary Statistics for Further Education Institutions: England 1999/2000'. This document compares the performance of different Colleges in the following areas:

## WORKING MEN'S COLLEGE CORPORATION

- **Achievement in funding target;**

The College achieved its funding target for the third year running and expects to do so again for the next academic year.

- **Percentage change in student numbers;**

Our students numbers increased from just over 2,000 to just over 3,700 between 1999-2000 and 2001-02; an increase of nearly 85% over a two year period.

In-year retention rates;

Our retention rate target for the year was 75% across the College and this was comfortably achieved with an actual retention rate of nearly 80%.

- **Achievement rates;**

Our achievement rate targets were set at 65% across the College and these were achieved. We have significantly reduced the number of our long courses (courses over 24 weeks) during the year.

- **Contribution to national or LSC targets;**

- a) To raise achievement of young people aged 19, measured by the proportion attaining a Level 2 qualification, and to reduce the proportion lacking the basic skills of literacy and numeracy (current performance: 75.3% to Level 2, an estimated 15% lacking basic skills).

The College does not actively recruit students in the 16~19 age group and targets for students aged 16~19 are part of our overall targets for growth.

- b) To raise achievement of young people aged 21, measured by the proportion attaining a Level 3 qualification, and to reduce the proportion lacking the basic skills of literacy and numeracy (current performance: 53.7% to Level 3, an estimated 15% lacking basic skills).

See comments under point (c) below.

- c) To raise achievement of the entire adult population, measured by the proportion attaining a Level 3 qualification, and to reduce the proportion lacking the basic skills of literacy and numeracy (current performance: 47.2% to Level 3, an estimated 20% lacking basic skills).

This is the core of our provision and we are committed to growth above the national rate in Basic Education provision by the College over the current planning period. Since 1999 we have grown by 150% and the bulk of the growth has been in basic IT and Basic Education provision. We will, over the next two years, develop our Level 3 offer to enable our students to progress from current foundation Level 1 and Level 2 courses.

- d) To raise post-16 participation measured by the proportion of 16~18 year olds engaged in education and training (current performance: 75% of 16~18 year olds).

See comments under point (a) above; this is not central to our activities.

## WORKING MEN'S COLLEGE CORPORATION

- e) To raise the quality and effectiveness of the education and training we support, measured by external inspection grades and by structured feedback from learners, employers and training providers (baseline data to be developed).

We are committed to improving the quality of our provision. Towards this end, we have established a Quality Committee within the Corporation structure. The College has set retention and achievement targets since 2000. The College also plans partnerships with other providers to improve the management and quality of its provision

- Out-turn average level of funding.

Our LSC funding for the year was £1.848m and we delivered approximately 77,000 units of activity at an average level of funding of £24.00 (including London weighting, widening participation, capital and Standards Fund monies)

### Student Numbers and Achievements

5. Further education colleges are funded according to the units of activities they generate each year. As a specially designated institution, Working Men's College receives funding for the delivery of both Schedule 2 and Non-Schedule 2 provision. For 2001/2002 the College has achieved an estimated 77,000 units against a total allocation of approximately 79,000 units. The management team has actively promoted and marketed the College, adapting the curriculum to local needs. The resulting volume of delivery represents an increase in units of around 6.9% over the previous year.

### Management

6. The review of the College's management structure was completed for September 2002, and in order to address weaknesses identified in the self-assessment report 2001 the following changes have been made to the College's programme areas. A third programme area of Foundation Education and Training has been introduced in recognition of the importance of that area to the College's mission - The new programme areas are:

Foundation Education and Training.  
Community Education and Training.  
Information/Communications Technology

The post of Course Team Leader has been deleted in each area and replaced with the post of Deputy Programme Manager. TPI funds have been allocated to strengthen the organisation of the fractional staff and improve communication.

In September 2001 the College introduced its first full-time Level 3 course, Access to Higher Education in Visual Arts course.

The Management Information System has been strengthened and the staffing increased - All managers have been trained in the use of the system.

## **WORKING MEN'S COLLEGE CORPORATION**

The College is in regular contact with the Council, London Civic Forum, the LEA, the LDA, local schools, local employers, community groups and the Learning Partnership and uses these contacts to continuously review its offer.

### **Resources**

7. The accommodation strategy has been completed and the major refurbishment of the building is underway. The reception provision has been upgraded and re-structured to improve learner access. The system for analysis of retention and achievement has been modified and strengthened.

### **Student Support**

8. The facilities have been expanded and improved. The Centre for Student Affairs has been re-structured to improve the service to students and a new mission statement has been agreed. Library provision has been upgraded. Key information is translated into five community languages and available in the Learning Centre.

### **Equality of Opportunity**

9. The College Policy on Equal Opportunities has been revised to meet the requirements of the Race Relations Amendment Act. Monitoring systems have been introduced and performance indicators identified.

### **Quality Assurance**

10. Course review and evaluation procedures have been reviewed and brought in line with the Common Inspection Framework requirements. The classroom observation process has been further strengthened.

The College is making progress in the strengthening the Internal Verifier (IV) system and a proportion of Teachers Pay Initiative (TPI) funds has been allocated to support this process.

The College's benchmarking club with its partner-designated colleges within London has been strengthened.

The pilot 'end of course' individual student evaluations have been carried out in ESOL/Basic Skills and IT.

The new Learning Agreement system, introduced in September 2001, has been further modified for September 2002. Individual Learning Plans will be introduced for students from September 2002.

**Transparency arrangements**

11. The Corporation conducts its business through a number of committees. 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, General Purposes and Development Committee, Remuneration Committee, Personnel Committee and Search Committee. In addition the Corporation has representation on the Quality Committee and the Health and Safety Committee. During the year the Finance, General Purposes and Development Committee merged with the Personnel Committee to form the Finance, Personnel and Development Committee.

The full Corporation meets quarterly and the other committees at least once each term. The Search and Remuneration Committees meet as required. Full minutes of the non-confidential business of all meetings are available from the Clerk to the Corporation at Working Men's College, 44 Crowndale Road, London, NW1 1TR.

The Clerk to the Corporation maintains a register of financial and personal interests of the Governors and the senior post holders within the College. Both registers are available for inspection on application to the Clerk at the College

The Governors receive no remuneration for their services, but are entitled to claim out of pocket expenses. No out of pocket expenses were claimed by Governors in the year to 31 July 2002 (2001 – none)

**Finances**

12. The College generated an operating deficit of £8,744, for the year to 31 July 2002 (2001 - £208,716 deficit). In addition there were realised gains resulting from the management of the College's investment portfolio of £7,015 (2001 - £144,720) and an unrealised loss of £619,993 (2001 - £456,428). During the year to 31 July 2002, a total of £253,902 (2001 - £196,357) was expended on summer works. The College has for many years generated operating deficits and been dependent on the gains from the investment portfolio to cover the deficit. In the main, this is a consequence of the low volume of activity combined with a funded average level of funding (ALF) until 1997/1998 of under £3. With the advent of convergence, the ALF increased in 2001/2002 to £17.22 plus London weighting. This has put the College's recurrent revenue budget on a much stronger footing than hitherto and has enabled the Corporation to make some longer-term strategic financial plans.



## Post-balance Sheet Events

### Staff and Student Involvement

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

The Corporation includes two staff members and two student members. The Principal has introduced both staff and student bulletins and newsletters, which are produced regularly. All working parties and development groups within the College include staff and student representation.

It is, however, sometimes difficult to secure the level of staff participation that is desirable because 50% of the teaching staff are part-time sessional staff.

### Taxation

14. The College's activities do not fall to be charged to corporation tax.

### Employment of Disabled Persons

15. 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

16. The College seeks to achieve the objectives set down in the Disability Discrimination Act 2000 and in particular makes the following commitments:
- a) As part of the redevelopment of the buildings it is installing lifts and ramps so that eventually most of the facilities will allow access to people with a disability;
  - b) There is a list of specialist equipment which the college can make available for use by students. For example in the Centre for Student Affairs the following is available:
    - 3 specialist chairs
    - 1 arm pad
    - 1 seat pad
    - 3 joysticks
    - 3 large mouse
    - 2 small mouse
    - 2 large keyboards
    - 1 PC arm support
    - 1 Zoom Text License for computers

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- c) The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the College Charter;
- d) The College has made appropriate support for students with learning difficulties and/or disabilities a key priority. Support is managed and delivered through the Centre for Student Affairs where there are 2.25 Full Time Equivalent specialists delivering dyslexia, literacy, numeracy, careers, IT and welfare rights support. There are a number of lecturers who provide a variety of support for individual students in response to diagnosed need. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for all students who have learning difficulties and/or disabilities;
- e) specialist programmes are described in programme information guides, and achievements are recorded and published in the standard college format;
- f) counselling and welfare services are described in the college student diary/charter and in translated pamphlets provided by the Centre for Student Affairs

### Planned Maintenance Programme

17. The College has started a programme of refurbishment that is planned to continue to the end of 2005/2006. The works represent a catching up exercise for maintenance that has been neglected in the past. It is intended that these one-off works be funded from the College's reserves. As the works are predominately revenue in nature this will result in the College incurring charges in the accounting periods that the work spans (2001/2002 to 2005/2006). The charge to revenue costs in respect of this work was £253,902 (2001 - £196,357).

	2001/02	2002/03	2003/04	2004/05	2005/06
Year	1	2	3	4	5
	£000	£000	£000	£000	£000
Outstanding at 1 August	16	138	138	138	138
Budgeted expenditure	376	202	100	100	72
Actual or planned expenditure	(254)	(202)	(100)	(100)	(210)
Outstanding at 31 July	138	138	138	138	0

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**Members**

The following Governors were in office at 31 July 2002 and served throughout the year except where shown:

Name	Date of Appointment or Re-appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served
Baroness Whitaker	28/03/2001		17/10/2001	Appointed	F/R/S
Ian Bell	22/03/2000	3 Years		Nominated Staff	A
Hugh Deeney	22/03/2000	3 Years	13/03/2002	Nominated Staff	F
Beverley Evans – Vice Chair	28/03/2001			Appointed	A (Ch) resigned 21/11/2001 Q (Ch)
Nigel Franklin	13/03/2002			Appointed	A Q
Satnam Gill	19/10/1999			Principal / Ex-Officio Gov	F / P / S
Michael Johns CB	13/03/2002			Appointed	F
Michael Laschinger Company Secretary	13/03/2002			Appointed	A (Ch) P
Selwyn Midgen - Treasurer	08/12/1999			Appointed	F (Ch)/ P/ R/ S
Michael Mockridge Company Secretary (until 17/10/01)	08/12/1999			Appointed	F/ P/ R
Pat Nightingale	11/07/2001		April 2002	Appointed	
Professor Tom Schuller – Vice Chair	28/03/2001			Appointed	P (Ch from 13 June 2001)/ R
Steve Scotland	11/11/2000			Appointed	A
Ruth Silver – Chair	13/03/2002			Appointed	Q (Ch) / R (Ch) S (Ch)
Graziella Spigarolo	13/03/2002	1 Year		Nominated Student Governor	HQ
Susan Agnoy	13/03/2002			Appointed	

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Joe Barrow	13/03/2002	1 Year		Nominated Student Governor	
Richard Holden	13/03/2002			Appointed	F
Martin Jones	12/12/2001			Appointed	A
David Offenbach	17/10/2001			Appointed	P
Shaun O'Connor	17/07/2002	3 years		Nominated Staff Governor	Q
Bipin Patel	17/10/2001			Appointed	F
Councillor Abdul Quadir	17/07/2002			Appointed	

**Key to Committees:**

H= Health & Safety                      A= Audit                      S=Search                      F=Finance/General Purposes and Development

Ch=Committee Chair                      P=Personnel                      Q=Quality                      R=Remuneration

**Notes:**

All appointed Governors can serve for up to nine years on the Corporation. At each annual general meeting one third of the Appointed Governors are required to retire by rotation in accordance with Articles 38 ~ 42 of the College's Memorandum and Articles of Association.

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

In addition to the above, Paul Fox resigned from the Audit Committee and Simone Hensby resigned from the Search Committee during the year.

Tim Firmston is engaged part-time to the post of Acting Clerk to the Corporation.

The appointed governors are also the members of the College. Every member of the College 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.

**Signed on behalf of the Corporation**

Chair 

Date 18.12.02

**WORKING MEN'S COLLEGE CORPORATION**

**Professional Advisers**

**External Auditors:**

Buzzacott  
12 New Fetter Lane  
London EC4A 1AG

**Internal Auditors:**

BDO Stoy Hayward  
Emerald House, East Street  
Epsom, Surrey KT17 1HS

**Bankers:**

National Westminster Bank plc  
166 Camden High Street  
London NW1 0NW

**Solicitors:**

Bates Wells and Braithwaite  
138 Cheapside  
London EC2V 6BB

**Investment Managers:**

Colonial First State  
Investment Management Limited  
23 St Andrew Square  
Edinburgh  
EH2 1BB

**Property Advisors**

Barker and Associates  
14 York Hill  
Loughton  
Essex  
1G10 1RL

## **Corporate Governance**

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in section one of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998.

Its purpose is to help the reader of the accounts understand how the principles have been applied.

With the exception of the full implementation of the Turnbull guidance as noted below under 'internal control', in the opinion of the Corporation, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2002.

## **The Corporation**

The composition of the Corporation is set out on pages 11 to 12. It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are finance, general purposes and development, remuneration, search, audit personnel and quality.

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 and removal of the Clerk are matters for the Corporation as a whole.

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

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

There is a clear division of responsibility as the roles of the Chairman and Principal 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 which is comprised of five governors which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding three years.

### **Remuneration Committee**

Through the year ending 31 July 2002, the College's Remuneration Committee comprised of four Governors (excluding the Principal). The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post holders.

Details of remuneration for the year ended 31 July 2002 are set out in note 6 to the financial statements.

### **Audit Committee**

The Audit Committee comprises of five governors (excluding the Principal). The committee operates in accordance with written terms of reference approved by the Corporation.

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

The College's internal auditors monitor the systems of internal control in accordance with an agreed annual plan of audit areas and time allocation and report their findings to management and the Audit Committee. Management are responsible for the implementation of agreed recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal and external auditors and their remuneration for both audit and non-audit work.

### **Internal Control**

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.

## WORKING MEN'S COLLEGE CORPORATION

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for reviewing the adequacy of the system of internal financial control and making any appropriate amendments. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal financial control.

The Corporation is unable to state that a formalised process for identifying, evaluating and managing the College's significant risks has been in place and operational during the year ended 31 July 2002. In the period up to 31 July 2002, the College has put in place the procedures the Corporation agreed should be established and the Corporation is of the view that they have been operational from 1 August 2002.


The Corporation expects to be able to make a full statement on their corporate governance policy and their review of risks and the systems put in place to mitigate those risks in their report for the year ended 31 July 2003.

### 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 they continue to adopt the going concern basis in preparing the financial statements.

Signed on behalf of the Corporation

Chair



Date 18.12.02



**Statement of the Responsibilities of the Members of the Corporation**

The members of the Corporation are required to present audited financial statements for each financial year.

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

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

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

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

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

**Signed on behalf of the Corporation**

Chair 

Date 18.12.02

## WORKING MEN'S COLLEGE CORPORATION

### Statement on the System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by Working Men's College.


The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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

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

Working Men's College has an internal audit service, which operates in accordance with the requirements of the Council's 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 least annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the college. The report includes the HIA's independent opinion on the adequacy and effectiveness of the college's system of internal control, including internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditor, the executive managers within the college who have responsibility for the development and maintenance of the financial control framework, and comments made by the college's external auditors and the Council appointed auditors of the college's individualised student record and funding claim in their management letters and other reports.

  
Principal

18.12.02  
Date

**Independent Auditors' Report to the Corporation of Working Men's College**

We have audited the financial statements on pages 21 to 36

**Respective Responsibilities of the Members of the Corporation of Working Men's College and Auditors**

The Corporation is responsible for preparing the Corporation's Report and, as described in the statement of responsibilities on page 17, the financial statements in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and applicable United Kingdom law and Accounting Standards.

Our responsibilities as independent auditors are established in the United Kingdom by applicable statute relevant legal and regulatory requirements, the Auditing Practices Board and our profession's ethical guidance. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions. We also report to you whether, in our opinion, in all material respects, monies expended out of funds from whatever source administered by the College for specific purposes have been properly applied for those purposes and, if appropriate, managed in compliance with relevant legislation and whether in our opinion, in all material respects, monies expended out of funds provided by the Learning and Skills Council have been applied in accordance with the financial memorandum between the Learning and Skills Council and the Corporation of the College and any other terms and conditions attached to them.

We also report to you if, in our opinion, the Corporation's Report is not consistent with the financial statements, if the College has not kept proper accounting records, the accounting records do not agree with the financial statements or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Corporation's Report (including the corporate governance statement) and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Audit Opinion**

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

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

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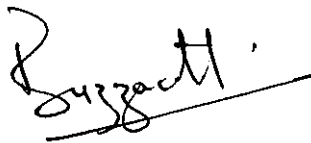
forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the College as at 31 July 2002 and of the College's deficit of income over expenditure for the year then ended, and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions.

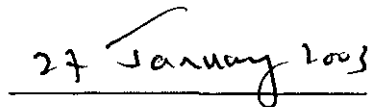
In our opinion, in all material respects, monies expended out of funds from whatever source administered by the College for specific purposes have been properly applied for those purposes and, if appropriate, managed in compliance with relevant legislation for the year ended 31 July 2002.

In our opinion, in all material respects, monies expended out of funds provided by the Learning and Skills Council have been applied in accordance with the Financial Memorandum between the Learning and Skills Council and the Corporation of the College and any other terms and conditions attached to them for the year ended 31 July 2002.



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



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Date

**Working Mens College Corporation**  
**Income and Expenditure Account for the year ended 31 July 2002**

	Notes	Year ended 31 July 2002 £	Year ended 31 July 2001 £
<b>Income</b>			
Funding Council Grants	1	1,848,068	1,365,928
Tuition fees and education contracts	2	168,996	144,606
Other income	3	69,597	55,826
Endowment and Investment income	4	175,189	186,663
<b>Total Income</b>		<b><u>2,261,850</u></b>	<b><u>1,753,023</u></b>
<b>Expenditure</b>			
Staff costs	5	1,285,069	1,059,458
Other operating expenses	7	873,753	811,365
Depreciation	9	111,772	90,916
<b>Total Expenditure</b>		<b><u>2,270,594</u></b>	<b><u>1,961,739</u></b>
Deficit on continuing operations before tax		(8,744)	(208,716)
Taxation	8	0	0
<b>Deficit on continuing operations after tax</b>		<b><u>(8,744)</u></b>	<b><u>(208,716)</u></b>

The income and expenditure account is in respect of continuing activities

There is no difference between the deficit stated above and the historic cost deficit for either the current or previous year.

**Working Men's College Corporation**  
**Statement of the Total Recognised Gains and Losses for**  
**the year ended 31 July 2002**

	Notes	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Deficit on continuing operations after depreciation of assets at valuation and tax		(8,744)	(208,716)
Realised gains on disposal of investments	10 & 11	7,015	144,720
Unrealised losses on listed and endowment investments	10 & 11	(619,993)	(456,428)
<b>Total recognised losses relating to the period</b>		<u><u>(621,722)</u></u>	<u><u>(520,424)</u></u>
<b>Reconciliation</b>			
Opening reserves and endowments		4,630,017	5,150,441
Total recognised losses for the year		(621,722)	(520,424)
<b>Closing reserves and endowments</b>		<u><u>4,008,295</u></u>	<u><u>4,630,017</u></u>

**Working Men's College Corporation  
Balance Sheet as at 31 July 2002**

	Notes	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Tangible assets	9	342,437		347,925	
Investments	10	<u>2,578,157</u>		<u>3,044,353</u>	
			2,920,594		3,392,278
Endowment Assets	11		<u>1,017,692</u>		<u>1,045,162</u>
			<u>3,938,286</u>		<u>4,437,440</u>
<b>Current assets</b>					
Debtors	12	36,448		105,718	
Investments - cash held by investment managers		84,192		313,123	
Endowments - cash held by investment managers		31,789		0	
Cash at bank and in hand		<u>290,945</u>		<u>200,303</u>	
		<u>443,374</u>		<u>619,144</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>301,950</u>		<u>387,760</u>	
<b>Net current assets</b>			141,424		231,384
<b>NET ASSETS</b>			<u><u>4,079,710</u></u>		<u><u>4,668,824</u></u>
<b>Deferred capital grants</b>	14		71,415		38,807
<b>Endowments</b>					
Specific	15	137,058		136,572	
General	15	<u>912,423</u>		<u>908,590</u>	
			1,049,481		1,045,162
<b>Reserves</b>					
Restricted reserve	16	1,235,227		1,492,173	
General reserve	16	<u>1,723,587</u>		<u>2,092,682</u>	
			2,958,814		3,584,855
<b>TOTAL</b>			<u><u>4,079,710</u></u>		<u><u>4,668,824</u></u>

The financial statements on pages 21 to 36 were approved by the governing body on 18 December 2002 and were signed on its behalf by:



Principal



Chairman

**Working Men's College Corporation**  
**Cash Flow Statement for the year ended 31 July 2002**

	Notes	Year ended 31 July 2002 £	Year ended 31 July 2001 £
<b>Cash flow from operating activities</b>	17	(125,711)	(266,932)
Returns on investments and servicing of finance	18	175,189	186,663
Capital expenditure and financial investment	19	(155,978)	(202,921)
<b>Decrease in cash in the period</b>	20	<u>(106,500)</u>	<u>(283,190)</u>

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

Movement in net funds in period		(106,500)	(283,190)
Net funds at 1 August	20	513,426	796,616
<b>Net funds at 31 July</b>	20	<u>406,926</u>	<u>513,426</u>



**Notes to the Financial Statements for the year ended 31 July 2002**

**Statement of Accounting Policies**

**Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education Institutions and in accordance with applicable Accounting Standards. They conform to guidance published by the Learning and Skills Council ("the LSC"), in Circular 02/07.

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 1985 regarding the format of the accounts 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 certain fixed assets.

**Recognition of income**

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.

Income receivable from the Learning and Skills Council is recognised in line with the latest estimates of grant receivable for an academic year. The final grant allocation is determined in the subsequent February, following an audit of the College's units of activity.

**Pension schemes**

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and a group personal pension scheme. The former is a defined benefit scheme, which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the income and expenditure account 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 for the TPS.

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

## WORKING MEN'S COLLEGE CORPORATION

### 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 - 5% per year
- Building improvements - 10% per year
- Technical equipment - 25% per year
- Computer hardware - 25% per year
- Computer software - 33<sup>1</sup>/<sub>3</sub>% per year
- Furniture, fixtures and fittings - 16<sup>2</sup>/<sub>3</sub>% per year

Freehold land is not depreciated.

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.

### Leased assets

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

### Maintenance of premises

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

## **WORKING MEN'S COLLEGE CORPORATION**

### **Taxation**

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

Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

### **Liquid resources**

Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities.

### **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.

**Working Men's College Corporation**  
**1 Funding Council Grants**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Recurrent grant	1,614,240	1,198,411
Releases of deferred capital grants	37,010	19,064
Basic Skills Summer schools	25,803	2,826
Standards Fund	151,948	47,271
Teachers Pay Initiative	19,067	0
ILT Provision	0	15,900
Release of prior year clawback provision	0	82,456
	<u><b>1,848,068</b></u>	<u><b>1,365,928</b></u>

**2 Tuition Fees and Education Contracts**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
European Union (EU) (excluding UK) students	186	482
Non-EU students	244	4,431
UK Further Education students	168,566	138,943
	<u>168,996</u>	<u>143,856</u>
Total fees paid by or on behalf of individual students		
Education contracts	0	750
	<u><b>168,996</b></u>	<u><b>144,606</b></u>

**3 Other Income**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Rental Income	28,307	14,637
Legacies	2,256	38,500
Miscellaneous income	39,034	2,689
	<u><b>69,597</b></u>	<u><b>55,826</b></u>

**4 Endowment and Investment Income**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Dividends and interest on listed and endowment investments	165,075	161,190
Bank Interest	10,114	25,473
	<u><b>175,189</b></u>	<u><b>186,663</b></u>

**Working Men's College Corporation**  
**5 Staff Costs**

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

	Year ended 31 July 2002 Number	Year ended 31 July 2001 Number
Teaching departments	33	29
Teaching support services	6	6
Administration and central services	14	14
Premises	3	3
	<u>56</u>	<u>52</u>

**Staff costs for the above persons:**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Wages and salaries	1,168,724	966,458
Social security costs	81,128	65,481
Other pension costs	35,217	27,519
	<u>1,285,069</u>	<u>1,059,458</u>

Teaching departments	701,906	502,363
Teaching support services	79,577	80,408
Administration and central services	417,748	421,380
Premises	48,199	52,076
General education expenditure	13,852	3,231
Staff restructuring	23,787	0
	<u>1,285,069</u>	<u>1,059,458</u>

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Employment costs for staff on permanent contracts	998,560	755,110
Employment costs for staff on short-term and temporary contracts	286,509	304,348
	<u>1,285,069</u>	<u>1,059,458</u>

The senior post-holders and the principal, who received emoluments (including pension contributions) in the following ranges was:

	Year ended 31 July 2002 Number	Year ended 31 July 2001 Number
£ 35001 to £ 40000	-	1
£ 40001 to £ 45000	2	1
£ 55001 to £ 60000	1	1
	<u>3</u>	<u>3</u>

A general pay award of 3.3% was made with effect from 1 August 2001, approved by the corporation.

**Working Men's College Corporation**  
**6 Senior Post-holders' Emoluments**

	Year Ended 31 July 2002 Number	Year Ended 31 July 2001 Number
The number of senior post-holders including the principal was:	<u>3</u>	<u>3</u>

Senior post-holders' emoluments are made up as follows:

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Salaries	124,142	130,619
Benefits in kind	4,408	4,559
Pension contributions	16,762	10,139
<b>Total emoluments</b>	<u><b>145,312</b></u>	<u><b>145,317</b></u>

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

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Salary	46,810	55,390
Benefits in kind	<u>300</u>	<u>300</u>
	<u>47,110</u>	<u>55,690</u>
Pension contributions	<u>11,508</u>	<u>4,579</u>

Normal pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Teachers Superannuation Scheme and are paid at the same rate as for other employees.

The members of the corporation other than the principal and the staff member did not receive any payment from the institution in respect of travel and subsistence expenses incurred in the course of their duties.

Senior post-holders, including the Principal and other higher paid staff received a pay increase of 3.3% in line with the general pay award. No bonuses were awarded to senior post-holders although some salary enhancements were paid to align with comparable market rates.

**Overseas activities**

None of the Governors or senior postholders was involved in any overseas activity during the year ended 31 July 2002 (2001 - none).

**7 Other Operating Expenses**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Teaching departments	39,099	48,811
Teaching support services	44,342	38,928
Administration and central services	329,302	328,411
Premises costs	437,444	370,134
Other expenses	23,566	25,081
<b>Total</b>	<u><b>873,753</b></u>	<u><b>811,365</b></u>

**Working Men's College Corporation**  
**7 Other Operating Expenses (continued)**

Other operating expenses include:

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Auditors' remuneration:		
external audit	11 575	10 800
internal audit	10 189	8 908
other services from either external or internal audit	1 983	14 087
Hire of other assets - operating leases	<u>4 332</u>	<u>4 622</u>

**8 Taxation**

The College has charitable status for taxation purposes and the Governors 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.

**9 Tangible Fixed Assets**

	Freehold land and buildings £	Building improve- ments £	Computer equipment £	Technical equipment £	Furniture, fixtures and other equipment £	Total £
<b>Cost</b>						
At 1 August 2001	178,152	22,396	225,623	99,897	89,847	615,915
Additions	0	0	64,289	26,007	15,988	106,284
<b>At 31 July 2002</b>	<u>178,152</u>	<u>22,396</u>	<u>289,912</u>	<u>125,904</u>	<u>105,835</u>	<u>722,199</u>
<b>Depreciation</b>						
At 1 August 2001	53,448	6,492	118,139	70,034	19,877	267,990
Charge for year	8,908	2,240	64,095	18,890	17,639	111,772
<b>At 31 July 2002</b>	<u>62,356</u>	<u>8,732</u>	<u>182,234</u>	<u>88,924</u>	<u>37,516</u>	<u>379,762</u>
<b>Net book value</b>						
At 31 July 2002	<u>115,796</u>	<u>13,664</u>	<u>107,678</u>	<u>36,980</u>	<u>68,319</u>	<u>342,437</u>
Net book value At 1 August 2001	<u>124,704</u>	<u>15,904</u>	<u>107,484</u>	<u>29,863</u>	<u>69,970</u>	<u>347,925</u>
<b>Analysis of 31 July 2002 net book value</b>						
Financed by capital grant	0	0	57,679	5,189	8,547	71,415
Other	115,796	13,664	49,999	31,791	59,772	271,022
<b>Net book value</b>						
At 31 July 2002	<u>115,796</u>	<u>13,664</u>	<u>107,678</u>	<u>36,980</u>	<u>68,319</u>	<u>342,437</u>

**Working Men's College Corporation**  
**10 Fixed Asset Investments**

**Listed securities at valuation**

	Fixed Interest UK Govt Stocks £	Equities £	Total £
At 1 August 2001	279,779	2,764,574	3,044,353
Additions	0	708,921	708,921
Disposal proceeds	0	(557,820)	(557,820)
Realised gains/(losses) on disposal of investments	0	12,049	12,049
Unrealised gains/(losses)	616	(629,962)	(629,346)
<b>At 31 July 2002</b>	<b>280,395</b>	<b>2,297,762</b>	<b>2,578,157</b>
<b>The original cost of assets included above at valuation is:</b>			
At 31 July 2002	292,146	2,502,773	2,794,919
At 31 July 2001	292,146	2,229,979	2,522,125

Total net unrealised losses at 31 July 2002 amounted to £ 216,762 (2001 - £ 522,228 gain)

**11 Endowment Assets**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Balance at 1 August 2001	1,045,162	1,033,178
Additions	633,471	0
Disposal proceeds	(665,260)	0
Realised gains/(losses) on disposal of investments	(5,034)	17,840
Unrealised gains/(losses)	9,353	(5,856)
<b>Balance at 31 July 2002</b>	<b>1,017,692</b>	<b>1,045,162</b>
Represented by:		
Fixed interest stocks (listed)	1,017,692	1,045,162
<b>Total</b>	<b>1,017,692</b>	<b>1,045,162</b>
<b>The original cost of assets included above at valuation is:</b>		
At 31 July 2002 and July 2001	963,978	924,364

Total net unrealised gain at 31 July 2002 amounted to £ 53,714 (2001 - £ 120,798)

**12 Debtors**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Amounts falling due within one year		
Trade Debtors	1,833	10
Other Debtors	4,685	92,523
Prepayments and accrued income	29,930	13,185
<b>Total</b>	<b>36,448</b>	<b>105,718</b>



**Working Men's College Corporation**  
**13 Creditors: Amounts Falling Due Within One Year**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Payments received in advance	120,774	194,082
Trade creditors	52,339	60,374
Other taxation and social security	35,392	27,136
Accruals	76,722	106,168
Provision for clawback of LSC recurrent funding	16,723	0
	<u>301,950</u>	<u>387,760</u>

**14 Deferred Capital Grants**

	LSC Grants £	LSC Grants £
<b>At 1 August 2001</b>		
Computer equipment	35,785	
Technical equipment	<u>3,022</u>	38,807
Cash received		
Computer equipment	54,457	
Technical equipment	4,904	
Furniture, fixtures and other equipment	<u>10,257</u>	69,618
Released to income and expenditure account		
Computer equipment	(32,563)	
Technical equipment	(2,737)	
Furniture, fixtures and other equipment	<u>(1,710)</u>	<u>(37,010)</u>
<b>Total</b>		<u><u>71,415</u></u>
<b>At 31 July 2002</b>		
Computer equipment		57,679
Technical equipment		5,189
Furniture, fixtures and other equipment		<u>8,547</u>
<b>Total</b>		<u><u>71,415</u></u>

**Analysis of capital grants received from the Learning and Skills Council during 2001/02**

	£
IT infrastructure	69,618
<b>Total</b>	<u><u>69,618</u></u>

**15 Endowments**

	Specific £	General £	Total £
At 1 August 2001	136,572	908,590	1,045,162
Unrealised gains in year on endowment asset investments	1,052	8,301	9,353
Realised losses in year on endowment asset investments	(566)	(4,468)	(5,034)
At 31 July 2002	<u>137,058</u>	<u>912,423</u>	<u>1,049,481</u>
<b>Representing</b>			
Prizes funds	43,856	0	43,856
Library funds	71,784	0	71,784
Other funds	21,418	912,423	933,841
<b>Total</b>	<u>137,058</u>	<u>912,423</u>	<u>1,049,481</u>

**Working Men's College Corporation**  
**16 Movement on Reserves**

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
<b>General Reserve - Income and Expenditure Account</b>		
<b>At 1 August</b>	<b>2,092,682</b>	<b>2,498,361</b>
Movement on income and expenditure account after depreciation and tax	(8,744)	(209,421)
Realised investment gains	7,034	76,991
Unrealised investment losses	(367,385)	(273,249)
<b>At 31 July</b>	<b>1,723,587</b>	<b>2,092,682</b>
<b>Restricted Reserve</b>		
<b>At 1 August</b>	<b>1,492,173</b>	<b>1,618,902</b>
Realised investment gains	5,015	49,889
Unrealised investment losses	(261,961)	(176,618)
<b>At 31 July</b>	<b>1,235,227</b>	<b>1,492,173</b>

**17 Reconciliation of Operating Deficit to Net Cash Outflow from Operating Activities**

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Deficit on continuing operations after depreciation of assets at valuation and tax	(8,744)	(208,716)
Depreciation (note 9)	111,772	90,916
Deferred capital grants released to income (note 1 & 14)	(37,010)	(19,064)
Investment income receivable	(165,075)	(161,190)
(Increase)/decrease in debtors	69,270	(55,766)
Increase/(decrease) in creditors	(85,810)	112,361
Interest receivable (note 4)	(10,114)	(25,473)
<b>Net cash outflow from operating activities</b>	<b>(125,711)</b>	<b>(266,932)</b>

**18 Returns on Investments and Servicing of Finance**

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Income from investments	165,075	161,190
Other interest received	10,114	25,473
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>175,189</b>	<b>186,663</b>

**19 Capital Expenditure and Financial Investment**

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Purchase of tangible fixed assets	(106,284)	(218,857)
Payments to acquire fixed assets investments	(1,342,392)	(607,747)
Sales of tangible fixed assets investments	1,223,080	586,425
Deferred capital grants received	69,618	37,258
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(155,978)</b>	<b>(202,921)</b>

**20 Analysis of Changes in Net Funds**

	At 1 August 2001 £	Cashflows £	At 31 July 2002 £
Cash in hand, and at bank	200,303	90,642	290,945
Cash held with Fund Managers	313,123	(197,142)	115,981
<b>Total</b>	<b>513,426</b>	<b>(106,500)</b>	<b>406,926</b>

## Working Men's College Corporation 21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers' Pensions Scheme (TPS) and a group personal pension scheme (GPPS). The total pension cost for the period was £35,217 (2001 - £27,519).

### Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

### SSAP 24

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

Latest actuarial valuation	31 March 1996
Actuarial method	Prospective Benefits
Investment returns per annum	8.5% per annum
Pension increases per annum	5.0% per annum
Salary scale increases per annum	6.5% per annum
Market value of assets at date of last valuation	£61,710 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	86.6%*

\* This is the accrued funding level (prospective funding level for total service is 94%)

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 April 2000 to 31 March 2002 the employer contribution was 7.2% plus 0.2% in respect of benefit improvements to the scheme. This rate increased to 8.35% from 1 April 2002.

### FRS 17

Under the definitions set out in Financial Reporting Standard 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.

**Working Men's College Corporation**  
**22 Capital Commitments**

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Commitments contracted for at 31 July	<u>0</u>	<u>350,000</u>

**23 Financial Commitments**

At 31 July had annual commitments under non-cancellable operating leases as follows:

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
<b>Equipment</b> Expiring between two and five year inclusive	<u>4,329</u>	<u>4,230</u>

**24 Access Funds**

	Year Ended 31 July 2002 £	Year Ended 31 July 2001 £
Funding Council grants	44,584	20,767
<i>Disbursed to Students</i>	(29,963)	(14,500)
Balance unspent at 31 July	<u>14,621</u>	<u>6,267</u>

Funding council grants are available solely for students; the college acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

**WORKING MEN'S COLLEGE CORPORATION**  
 These pages do not form part of the statutory accounts  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
 for the year ended 31 July 2002

	2002	2001
	£	£
<b>INCOME</b>		
<b>LSC and Other Grants</b>		
LSC - main revenue funding	1,614,240	1,198,411
LSC - release of prior year clawback provision	-	82,456
LSC - releases of capital grants	37,010	19,064
LSC - basic skills summer school	25,803	2,826
LSC - Standards Fund	151,948	47,271
LSC - ILT provision	-	15,900
LSC - Teachers Pay Initiative	19,067	-
	<u>1,848,068</u>	<u>1,365,928</u>
<b>Fees and charges</b>		
Tuition fees	168,996	144,606
	<u>168,996</u>	<u>144,606</u>
<b>Other Operating Income</b>		
48, Crowndale Road	2,907	4,398
Income Generating Activities	31,132	-
Other Lettings	25,400	10,239
	<u>59,439</u>	<u>14,637</u>
<b>Donations and Other Income</b>		
Donations	-	140
Bequests	2,256	38,500
Royal Female School of Art	7,902	-
Sundry	-	2,549
	<u>10,158</u>	<u>41,189</u>
<b>Interest Receivable</b>	10,114	25,473
	<u>10,114</u>	<u>25,473</u>
<b>Other Investment Income</b>	165,075	161,190
	<u>165,075</u>	<u>161,190</u>
<b>Total Operating Income</b>	<b>2,261,850</b>	<b>1,753,023</b>
<b>Total Staff Costs ( page 38 )</b>	<b>(1,285,069)</b>	<b>(1,059,458)</b>
<b>Total Non Staff Costs ( page 39 )</b>	<b>(985,525)</b>	<b>(902,281)</b>
	<u>(985,525)</u>	<u>(902,281)</u>
<b>Operating Deficit</b>	<b>(8,744)</b>	<b>(208,716)</b>
	<u>(8,744)</u>	<u>(208,716)</u>

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 for the year ended 31 July 2002

	2002	2001
	£	£
<b>STAFF COSTS</b>		
<b>Teaching Departments</b>		
Teachers salaries and NIC	684,614	487,446
Models	6,688	7,387
Pension contributions	10,604	7,530
	<u>701,906</u>	<u>502,363</u>
<b>Teaching Support Services</b>		
Teaching and AVA salaries and NIC	77,087	76,815
Pensions	2,490	3,593
	<u>79,577</u>	<u>80,408</u>
<b>Administration and Central Services</b>		
Administration salaries and NIC	395,625	405,250
Pension contributions	22,123	16,130
	<u>417,748</u>	<u>421,380</u>
<b>General Education Expenditure</b>		
Staff Development	13,852	-
Librarian and Exams Officer salaries and NIC	-	3,231
	<u>13,852</u>	<u>3,231</u>
<b>Premises</b>		
Security and Caretaking Staff salaries & NIC	48,199	52,076
<b>Restructuring</b>		
	<u>23,787</u>	<u>-</u>
<b>Total Staff Costs</b>	<u><u>1,285,069</u></u>	<u><u>1,059,458</u></u>

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 for the year ended 31 July 2002

	2002	2001
	£	£
<b>NON STAFF COSTS</b>		
<b>Teaching Departments</b>		
Class materials (net)	39,099	48,811
<b>Teaching Support Services</b>		
Exam boards	17,039	18,853
Library	10,079	-
Learning Support Centre Resources	6,951	20,075
Fee Refunds	10,273	-
	<u>44,342</u>	<u>38,928</u>
<b>Administration and Central Services</b>		
Advertising, Printing and Stationery	111,702	81,401
Audit	23,747	33,794
College functions / hospitality	6,521	1,479
Postage and telephone	28,977	33,112
Governors	5,241	13,455
Prizes and awards	1,050	1,614
Sundries	6,752	10,065
College catering	1,914	2,570
Staff recruitment	30,212	35,875
Bank interest and other costs	5,824	3,285
Legal and professional fees	43,805	45,451
Group PHI and life assurance premiums	7,628	4,907
Staff training and expenses	9,930	22,176
Computer consumables	28,754	25,904
Photocopying	15,983	12,177
Travel and subsistence	1,262	1,146
	<u>329,302</u>	<u>328,411</u>
<b>Premises</b>		
General and water rates	13,113	13,202
Insurances and licences	18,196	16,281
Light and heat	22,005	20,410
Repairs and renewals	326,184	235,905
Cleaning and refuse	38,463	39,921
Sundry equipment costs	-	44,415
Contractor Security Guard	19,483	-
	<u>437,444</u>	<u>370,134</u>
<b>Other Expenditure</b>		
Investment management	23,566	25,081
<b>Depreciation</b>		
Buildings	11,148	11,148
Other	100,624	79,768
	<u>111,772</u>	<u>90,916</u>
<b>Total non-staff costs</b>	<u><u>985,525</u></u>	<u><u>902,281</u></u>