

# Wigan & Leigh College

Report and Financial Statements for the  
year ended 31 July 2021



# Wigan & Leigh College

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# Wigan & Leigh College

## Reference and Administrative Details

### Board of Governors (at 31<sup>st</sup> July 2021)

Ann Harrison (Chair)  
Katherine Causey (Vice-Chair)  
Diane Brennan  
Andrea Ferguson  
Susan Loudon  
Susan Spibey  
Jenny Bullen  
David McDonald  
Alison Chambers  
Anna Dawe (Principal)  
Jennifer Cockram (Staff)  
Rebecca Turley (Staff)

### Clerk to the Board

Joanne Platt

### Senior Management Team

Anna Dawe	- Principal / CEO
Claire Foreman	- Vice Principal Curriculum
Louise Brown	- Vice Principal College Services
Alison Rushton	- Vice Principal Employment & Skills
Dave Harrison	- Assistant Principal College IT Services / MIS
Steven Scott	- Finance Director

**Principal and Registered Office**

Wigan & Leigh College  
PO Box 53  
Parsons Walk  
Wigan  
WN1 1RS

**Professional advisors****External Auditors:**

Wylie & Bisset (Audit) Limited  
168 Bath Street  
Glasgow  
G2 4TP

**Internal Auditors:**

ICCA Education Training and Skills  
11<sup>th</sup> Floor  
McLaren House  
46 Priory Queensway  
Birmingham  
B4 7LR

**Bankers:**

Barclays Corporate  
1<sup>st</sup> Floor  
3 Hardman Street  
Manchester  
M3 3HF

**Solicitors (local issues):**

Stephensons Solicitors LLP  
Waterside Drive  
Wigan  
WN3 5BA

**Solicitors (educational and national issues):**

Eversheds Sutherland  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

# Wigan & Leigh College

## Strategic report

### OBJECTIVES AND STRATEGY

The governing board present their annual report together with the financial statements and auditor's report for Wigan & Leigh College for the year ended 31 July 2021.

### Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Wigan & Leigh College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

### Mission, Values & Strategy

#### Mission

The College's mission as approved by its Corporation is:

"To be a beacon of educational excellence transforming the lives of the individuals and communities we serve."

#### Values

1. **We are learner centred** – our learners, their learning experience and their safety is our first priority
2. **We are ambitious** – we strive for excellence through creativity and innovation and believe we can always improve
3. **We are partners in the success of the organisation** – supporting each other to develop and to always be individually and collectively responsible for our results
4. **We believe in honest and open communication** - we treat each other with respect, trust and consideration. We listen to learners and colleagues and celebrate their success
5. **We are collaborative and inclusive** – we work in partnership so we can positively contribute to local, regional and national economic development and we value equality and celebrate the diversity of our community

#### Strategic Ambitions

1. **Quality: to become an outstanding college by 2023 with:**

- Inspirational and innovative teaching, learning and training which raises attainment and the ambitions and aspirations of all our learners
- Exceptional levels of learner care with an emphasis on good citizenship and personal development, ensuring that all learners are equipped for life
- Individual and impartial career guidance and advice programmes which inspire learners to make informed choices and lead to positive, sustained outcomes for their future

**2. Place: to meet the needs of Wigan Borough, Greater Manchester and surrounding areas by:**

- Maximising participation rates in education and training creating a line of sight to work and independent living
- Working in partnership with the business community and employers to deliver a coherent curriculum offer that supports ambition, social mobility and impacts positively on productivity
- Creating a stronger, safer and healthier local community through partnership working with Wigan Council, partner schools, employers and the voluntary sector so engagement and attainment gaps are eliminated

**3. Sustainability: to safeguard the future of the College through prudent financial management enabling investment in the creation of state of the art learning environments and resources by:**

- Realising growth through the promotion of technical, academic and vocational education pathways, raising awareness of their credibility and placing the College as the regional first choice provider of technical qualifications
- Providing value for money with high levels of efficiency and effectiveness maintaining a minimum of “good” financial health
- Creating learning environments which respond to the latest technical and digital advances, equipping our students for a seamless transition to the world of work and developing the talents needed for new opportunities

**Covid 19**

The C19 pandemic has meant the college took a prudent approach to forecasting some revenue from activities such as apprenticeships and our ability to realise our full AEB allocation was forecasted and any potential claw back budgeted for.

C19 has heightened the risks of non-compliance with statutory / ethical / regulatory responsibilities but measures to mitigate these risks have been enhanced through

programmes of CPD, PR&D interviews and increased monitoring. The college has adhered to all public health requirements in response to the pandemic and operates in a Covid secure environment. All staff have been trained, inducted and are monitored in relation to C19 working practices

Precautionary measures to limit the risk that Covid infections might be transmitted on college premises have been put in place including additional cleaning, hand sanitiser stations, physical distancing in classrooms and other spaces, behavioural reminders about hand washing and the wearing of face coverings, the use of bubbles and restrictions on unnecessary visitors. We also introduced a timetable for learners that included an element of blended delivery.

Business continuity was secured and additional financial planning and monitoring systems were implemented. The College commissioned a COVID Planning and Response audit as part of its internal audit cycle to identify aspects of good practice and areas for improvement. This will inform business continuity planning moving forward.

### **Financial objectives**

The College's financial objectives are:

- To achieve an annual operating surplus;
- To pursue alternative sources of income, on a selective basis, consistent with the College's core competencies, and the need for a financial contribution to the College's overall finances;
- To generate sufficient levels of income to support the asset base of the College;
- To further improve the College's shorter term liquidity; and
- To maintain a minimum financial health grade of 'Good'.

In order to facilitate these objectives the College has adopted a financial framework that included the following criteria:

- Realise an operating surplus of at least 2% of income each financial year
- Restrict borrowings to 40% of annual income
- Achieve a pay cost that is a maximum of 65% of annual income
- Operate with a current ratio of at least 1:1
- Maintain cash and bank balances of at least 30 days spend equivalent to £2 million

### **Resources**

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

The College employs 519 people (expressed as full-time equivalents), of whom 242 are teaching staff.

The College enrolled approximately 7,362 students. The college's student population includes 3,172 16-to-18-year-old students, 1,422 apprentices, 611 higher education students and 2,157 adult learners.

The College has £21.3 million of net assets (including £19 million pension liability) and long-term debt of £5 million. Tangible resources include the main college sites.

The College has an increasingly good reputation locally and nationally working with partners and in collaborations to ensure that students receive the best provision and support whilst at the College. Staff are a central to our strategic aims and we have built a staff community that values each other as well as the student experience. The College won awards in several categories in the 2021 Best Companies Survey with a three star award for "World Class" Employee Engagement; placed at number 52 in the Top 100 UKs Best Large Companies to Work For; placed 38 in the North West's 100 Best Companies to Work for and 8th place in Education and Training's 25 Best Organisations to Work For. This reinforces our reputation for staff engagement, communication and recognition, and is reflected in the recent Staff Survey results with 94% of staff saying, "I am proud to be a member of staff at the College".

The College also achieved member status of the Greater Manchester Good Employer Charter. To achieve this an extensive assessment is undertaken reviewing employment practices including job security, flexible Work, Real Living Wage, Employee Engagement and Voice, People Management and Health and Wellbeing. The College is increasingly becoming an advocate for the Charter with GM inviting the College to be pivotal in communications and webinars relating to good employment practice, particularly in relation to employee engagement.

We have also recently continued to work through an extensive and challenging programme of upgrade and refurbishment of the College Estate to ensure our students and staff are learning and working in an inspiring and innovative environment. This includes the opening of the Centre for Advance Technical Studies delivering HE and T Level Programmes including Health and Care and Digital, delivered in partnership with Wigan, Wroughtington and Leigh NHS Trust, Edge Hill University, Wigan Council and the College.

## **Stakeholders**

The College has many stakeholders including:

- its current, future and past students;
- its staff and their trade unions;
- the employers it works with;
- the professional organisation in the sectors where it works;
- its partner schools and universities; the wider college community;
- its local borough council, combined authority and Local Enterprise Partnership



## **DEVELOPMENT AND PERFORMANCE**

### **Financial Results**

The College generated a deficit before other gains and losses of £179k with total comprehensive income of £5.0 million that is stated after accounting for an £5.1M actuarial gain in respect of pension schemes.

### **Covid 19 Impact**

Due to the Covid 19 pandemic, the College has incurred additional costs to ensure the continuation of its teaching and learning. Virus control measures have affected activities and operations with increased spending as follows:

- Communication costs – additional IT equipment to enable staff to work from home – c. £150k
- Personal protective equipment – actual spend in 2020-21 increased by £41k from £71k in 2019-20 to £112k in 2020-21. Spend last pre-Covid year was £10k which is an increase of £102k on the current year
- General estate modifications - £45k – on-going work to modify classroom space and the provision of testing facilities

In addition, the College has experienced reductions in income due to the impact of lockdown:

- Catering income down from the last pre-Covid year by c. £272k (2018-19 £486 2020-21 £214k)
- Curriculum income has fallen from £104k in 2019-20 to £25k in 2020-21 – a reduction of £79k

### **Developments**

The college's redevelopment involved tangible fixed asset additions during the year that amounted to £4.448M. This was split between various projects as detailed below:

- LRC re-development at our parsons Walk Campus
- Creation of an Administration Hub at our Parsons Walk Campus
- Re-development of the former UTC building to create our Centre for Advanced Technical Studies facility in Wigan town centre
- Provision of VDI technology servers & software
- Building re-development work in respect of T Level provision in our Rushton building

## **Reserves**

The College has accumulated reserves of £21.3M and cash and short-term investment balances of £10.1M. The College will continue to accumulate reserves and cash balances in order to create a contingency fund to allow for future investment.

## **Sources of income**

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2020-21, the FE funding bodies provided 80% of the College's total income (2019-20 – 76.4%).

## **FUTURE PROSPECTS**

### **Developments**

The College is responding to curriculum changes across the majority of its provision and continues to work to ensure that its curriculum remains responsive and relevant to support local and regional economic development and responds to skill shortage areas. The College has implemented the new RQF qualifications as part of its vocational offer and has been accredited as a T-Level provider commencing in September 2021. The College has grown substantially over the last three years at a time of demographic downturn and is therefore preparing for continued growth as substantial increases to the local demographics commenced in 2020-21. 16-18 numbers are once again increased for 2020-21 and apprenticeship levy activity is increasing year on year. This requires investment in the College estate and infrastructure and though this has commenced with substantial investments being made across all campuses this is set to continue as outlined in the estates strategy.

### **Financial plan**

The College governors approved a financial plan in July 2021, which sets objectives for the period to 2022. The college aims to maintain a minimum financial health rating of 'Good' and remain compliant with our banking covenants in the year to 31 July 2022.

### **Treasury policies and objectives**

Treasury management is the management of the College's cash flows, its banking and money 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.

All borrowing requires the authorisation of the Corporation and must comply with the requirements of the 2018-19 Financial Memorandum. The College also works closely with its bank to ensure that financial covenants relating to outstanding borrowings continue to be met.

In 2018-19, the College made the decision to invest excess cash balances in deposits supporting environmental goals. Deposits are earmarked against 'green bonds' that are helping to fund a variety of thematic projects including energy efficiency, renewable energy, green transport, sustainable food, agriculture and forestry, waste management and greenhouse gas emission reduction.

### **Cash flows and liquidity**

At £10.1M (2019-20 £6.6M), net cash flow from operating activities of £3.5M was reasonably strong.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year, this margin was comfortably exceeded.

### **Reserves**

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date, the Income and Expenditure reserve stands at £2.9M (2020: (£2.4M)).

### **Going concern**

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

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk management**

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing board has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained at the College level, which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The main risk factors affecting the College are outlined below along with the action taken to minimise them - not all the factors are within the College's control and other factors besides those listed below may also adversely affect the College.

### **1 Government funding (both direct and indirect)**

The College has considerable reliance on continued government funding through the further education sector funding bodies and through OFS. In 2020-21, 80% (2019-20: 76%) of the College's revenue was ultimately publicly funded and this level of requirement is expected to continue. 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 a number of issues that may impact on future funding:

- The demand led funding system, which applies a series of factors, such as guided learning hours and success rates, to calculate an amount of funding to be received for each learner; The College is on a growth curve for 16-18 and is having to respond to the lag funding model making the achievement of in-year budgetary income targets a priority. Funding levels for high needs learners is also highly uncertain with local authorities not being able to meet the level of demand through the commissioning of numbers by place (element 2) and element 3 funding;
- Machinery of government changes, the continuing impact of BREXIT;
- The continuing devolution of Adult Education Budget by the Greater Manchester Combined Authority. Funding levels in 2021-22 have been sustained for GM activity however, it remains to be seen how contract monitoring will impact upon full utilisation of the full funding grant. Further Wigan and Leigh still retains a sizeable national contract and there are uncertainties as to how effective the curriculum planning and preparation may be in fully utilising this separate contract;
- Continuing uncertainty around funding of apprenticeship activity (levy and non-levy) and the continued impact and market distortion caused by the funding reforms & Covid;
- Ongoing strategies to reduce costs in line with reductions in income: and;
- The impact of Covid 19 and the impact this may have on learner numbers and future funding streams.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Ensuring the College is rigorous in delivering high quality education and training;
- Managing efficiencies robustly and having strong governance;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies and commissioning authority and ensuring regular dialogue takes place; and
- Ensuring the College is focused on those priority sectors that meet local and regional skills needs and will continue to benefit from public funding.

## **2 Student enrolment**

A significant (62%) level of College income relates to 16-18s (excluding apprenticeships), and as such, it is crucial that the College maintains, ideally increases, the number of schools-leaver enrolments. There is also a highly competitive market aiming to attract these learners.

9.4% of the College total income came from the Greater Manchester Combined Authority and the Education & Skills Funding Agency Adult Skills Budgets. Due to changes to Government policy regarding adult loans and the recent implementation of the apprenticeship reforms, the achievement of allocated targets is challenging.

This risk is mitigated by:

- Effective marketing;

- Ensuring the College is rigorous in delivering high quality education and training;
- Strong relationships with schools and employers;
- Annual business planning to identify new areas of provision and decommissioning when required;
- Regular open days/evenings and other promotional events; and
- Maintain and enhance the College’s growing reputation.

### 3 Tuition fee policy

Ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, Wigan & Leigh College will seek to ensure tuition fees are in accordance with the fee assumptions. The risk for the College is that demand falls off as fees increase. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students;
- Close monitoring of the demand for courses as prices change; and
- Proactive marketing of courses and the availability of loans where applicable;

### 4 Maintain adequate funding of pension liabilities

Wigan and Leigh College employees currently have right to be members of either the Teacher’s Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS). The Financial Statements report the share of the LGPS deficit on the College’s balance sheet in line with the requirements of FRS 102. The College monitors and reviews the pension scheme deficit and implements changes to the employer’s contribution rates as determined by the fund’s periodic actuarial valuation.

## KEY PERFORMANCE INDICATORS

The College is committed to observing the importance of sector measures and indicators against which it measures its performance and has in place a full range of KPIs. Key performance rates for 2020-21 were as follows:

Key performance Indicator	Actual for 2020-21	National Average
16-18 Achievement rates (Overall)	90.8%	83.4%
19+ Achievement rates (Overall)	87.1%	89.9%
16-18 Retention (Overall)	93.1%	91.0%
19+ Retention (Overall)	91.9%	94.7%

The College is required to complete the annual Finance Record for the Education & Skills Funding Agency that produces a financial health grading. The Finance Record for 2020-21 shows that the College’s financial health grade is ‘outstanding’ which is considered an acceptable outcome at the present time. The College are keen to

strike a balance between generating operating surpluses and setting aside investment resources into information technology and infrastructure.

## **Student achievements**

Students continue to prosper at the College. Achievement rates remained high in 2020-21 at 89.4% (2019-20 – 88.8%) which is above the national average of 86.0%.

## **OTHER INFORMATION**

### **Public Benefit**

Wigan & Leigh College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Board, who are trustees of the charity, are disclosed on pages 20-22. In setting and reviewing the College's strategic objectives, the Governing Board has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to 7,362 students, including 129 students with high needs. The college provides courses without charge to young people, to those who are unemployed and adults taking English and maths course. The college adjusts its courses to meet the needs of local employers and provides training to 1,422 apprentices. The college is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

### **Equality**

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions that place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's Intranet site.

The College publishes an annual Equality & Diversity Report and Scheme to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Positive about Disabled' employer and is committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. 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, which as far as possible, provide identical opportunities to those of non-disabled employees.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has achieved accreditation to the Committed to Equality (C2E) standard at the gold (highest) level. The College has also implemented an updated Equality & Diversity training programme that all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

### **Disability statement**

The College seeks to achieve the objectives set down in the Equality Act 2010:

- a) As part of the Estates strategy relating to the upgrade of the College estate consultants are engaged to ensure best practice and compliance with access
- b) The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005;
- c) The College has appointed an Access Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
- d) The College will upgrade lifts and install ramps, where possible, so that facilities can be accessed by people with a disability;
- e) There is a list of specialist equipment which the College can make available for use by students and a range of assistive technology is available in the learning centre;
- f) 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 complaints policy;
- g) The College has made significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- h) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format;
- i) The College runs an Equality and Diversity Group to demonstrate commitment to the development of Equality & Diversity – the group includes representatives from both staff and student bodies.
- j) Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

### **Trade union facility time**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the college to publish information on facility time arrangements for trade union officials at the college

Numbers of employees who were relevant period	FTE employee number
5	5

Percentage of time	Number of employees
0%	4
1-50%	1
51-99%	n/a
100%	n/a

Total cost of facility time	£2,121
Total pay bill	£21.205M
Percentage of total bill spent on facility time	<0.01%

Time spent on paid trade union activities as a percentage of total paid facility time	0
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### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 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 per cent. During 2020-21, the College did not actively monitor its performance against this target but incurred no interest charges in respect of late payment for this period.

### EVENTS AFTER THE REPORTING PERIOD

There have been no events requiring disclosure since the reporting period.

### DISCLOSURE OF INFORMATION TO AUDITORS

The members 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 member 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.



**Approved by order of the members of the Corporation on 20<sup>th</sup> January 2022  
and signed on its behalf by:**

*Ann Harrison*

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**Ann Harrison  
Chair**

# Wigan & Leigh College

## Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the college to obtain a better understanding of its governance and legal structure. This statement covers the period from 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2021 and up to the date of approval of the annual report and financial statements.

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 Code of Good Governance for English Colleges (“the Code”)
- iii. in accordance with the funding rules laid down by the Office for Students contained in the “Regularity Advice 9: Accounts Direction” instruction to ensure regularity in the use of this public funding and propriety in the use of public funding.

In the opinion of the Governors, the college complies with the provisions of the Code, and it has complied throughout the year ended 31 July 2021. The Governing Board 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 Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015 and has operated in accordance with the Code since its inception and has formally adopted the Code.

## The Corporation

The members who served on the Corporation during the year **and up to the date of signature of this report** were as listed in the table below.

Name	Date of Appointment	Term of Office	Date of Resignation	Status of appointment	Committees Served	2020-21 Attendance
Ann Harrison (Chair of the Board)	First appointment February 2012  Reappointed October 2019	4 years	N/A	Independent Governor	Governing Board (Chair); Search & Governance Committee (Chair); Curriculum & Student Matters Committee; Remuneration Committee (Chair)	9 out of 9 meetings
Katherine Causey (Vice Chair of the Board)	First appointment November 2013  Reappointed July 2021	4 years	N/A	Independent Governor	Governing Board; Audit Committee (Chair); Search & Governance Committee; Remuneration Committee	8 out of 9 meetings
Diane Brennan	First appointment April 2011  Reappointed October 2018	4 years	N/A	Independent Governor	Governing Board; Resources Committee (Chair); Search & Governance Committee; Remuneration Committee	9 out of 9 meetings

Andrea Ferguson	February 2018	4 years	N/A	Independent Governor	Governing Board; Curriculum & Student Matters Committee (Chair); Search & Governance Committee; Remuneration Committee	9 out of 9 meetings
Susan Loudon	First appointment November 2014 Reappointed October 2018	4 years	N/A	Independent Governor	Governing Board; Remuneration Committee; Search & Governance Committee; Audit Committee	7 out of 8 meetings
Mike Ferraby	October 2017	4 years	June 2021	Independent Governor	Governing Board; Resources Committee	7 out of 7 meetings
Susan Spibey	First appointment November 2012 Reappointed October 2020	4 years	N/A	Independent Governor	Governing Board; Resources Committee	7 out of 8 meetings
Jenny Bullen	First appointment September 2017 Reappointed July 2021	4 years	N/A	Independent Governor	Governing Board; Curriculum & Student Matters Committee	6 out of 7 meetings
Gill Edwards	First appointment October 2017	4 years	June 2021	Independent Governor	Governing Board; Audit Committee	3 out of 3 meetings
David McDonald	First appointment October 2019	4 Years	N/A	Independent Governor	Governing Board; Audit Committee	5 out of 7 meetings
Alison Chambers	First appointment October 2019	4 Years	N/A	Independent Governor	Governing Board; Resources Committee	7 out of 8 meetings
Paul Howard	December 2020	4 years	July 2021	Independent Governor	Governing Board; Resources Committee	6 out of 7 meetings
Harinder Dhaliwal	First appointment October 2021	4 years	N/A	Independent Governor	Governing Board; Resources Committee	No meetings yet
Anthony Costello	First appointment October 2021	4 years	Jan 2022	Independent Governor	Governing Board; Curriculum & Student Matters Committee	No meetings yet
Anna Dawe (Principal)	Ex-Officio since April 2016	Ex-Officio	N/A	Principal	Governing Board; Search & Governance Committee; Curriculum & Student Matters Committee; Resources Committee	11 out of 12 meetings

Jennifer Cockram	First appointment June 2015  Reappointed October 2019	4 years	N/A	Staff Governor	Governing Board; Curriculum & Student Matters Committee	4 out of 7 meetings
Rebecca Turley	October 2019	4 Years	N/A	Staff Governor	Governing Board; Curriculum & Student Matters Committee	7 out of 7 meetings
Kodie Anderson	December 2019	4 years	July 2021	Student Governor	Governing Board; Curriculum & Student Matters Committee	1 out of 7 meetings
Reni Terezova	December 2020	4 years	July 2021	Student Governor	Governing Board; Curriculum & Student Matters Committee	1 out of 5 meetings
Andrei Gheorghita	First appointment October 2021	2 years	N/A	Student Governor	Governing Board; Curriculum & Student Matters Committee	No meetings yet
Pauline Hunter	First appointment June 2015  Reappointed October 2019	4 years	N/A	Co-opted Member of Committee	Audit Committee	3 out of 3 meetings

The average percentage attendance of governors at meetings of the Governing Board was 78%. Overall attendance at Board and committee meetings was 83%.

Robert Smith acted as the Clerk to the Governing Board for the entire academic and financial year but was replaced by Joanne Platt from 1<sup>st</sup> September 2021.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Governing Board and its committees are 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. There were four Board meetings in 2020-21 and all committee meetings took place as planned. All meetings with the exception of the final Board meeting in July took place online in response to the Covid-19 pandemic.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. These committees are Curriculum & Student Matters, Resources, Audit, Remuneration and Search & Governance. Full minutes of all meetings, except those deemed to be confidential by the Board, are available on the college's website [www.wigan-leigh.ac.uk](http://www.wigan-leigh.ac.uk) or from the Clerk to the Governing Board at the college's registered address.

The Clerk maintains a register of financial and personal interests of all governors. The register is available for inspection at the above address.

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, 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 Board as a whole.

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

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

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

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Governing Board as a whole. The Corporation has a Search and Governance Committee, consisting of six members of the Corporation, which is responsible for the selection and nomination of any new member for the Governing Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required.

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

### **Corporation Performance**

The Governing Board carried out a self-assessment of its own performance for the year ended 31st July 2021 and graded itself as "2" on the Ofsted scale. This is a robust annual self-assessment process, including self-assessment by all members, assessment of committee performance and assessment of the performance of the Board. The self-assessment document is available from the Clerk to the Governing Board.

### **Remuneration Committee**

Throughout the year ending 31 July 2021 the college's Remuneration Committee comprised four members of the Corporation. The committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer (the Principal), the Vice Principal Curriculum, the Finance Director and the Clerk to the Governing Board.

Details of remuneration for the year ended 31 July 2021 are set out in note 7 to the financial statements.

### **Audit Committee**

The Audit Committee comprises four members of the Corporation and excludes the Accounting Officer and Chair of the Board from its membership. The committee is

supported by a co-opted audit specialist. The committee operates in accordance with written terms of reference approved by the Governing Board.

The Audit Committee meets on a termly basis and provides a forum for reporting by the college's internal auditors, reporting accountants and financial statements auditors, who have access to the committee for independent discussion, without the presence of college management. The committee also receives and considers reports from the main FE funding bodies 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 Board on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Board on the committee's activity and decision-making.

## **Internal control**

### *Scope of responsibility*

The Governing Board 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 Board 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 accountable, in accordance with the responsibilities assigned to her in the Funding Agreement between Wigan & Leigh College and the funding bodies. The Principal is also responsible for reporting to the Board 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 in Wigan & Leigh College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

### *Capacity to handle risk*

The Audit Committee and Governing Board have 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 Board 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 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Audit Committee with input from the college's auditors.

#### *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 Board
- regular reviews by the Governing Board of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

The college has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 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 Board on the recommendation of the Audit Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the Board 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 risk management, controls and governance processes. In 2020-21, the Audit Committee prioritised an audit of the college's response and adaptation to the Covid-19 pandemic, rather than some of the previously planned individual audits. This may impact on the internal auditor's ability to offer an audit opinion in the way that it is provided in other years.

#### *Review of effectiveness*

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control and this review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors
- the work of the executive managers within the college who have responsibility for the development and maintenance of the internal control framework
- comments made by the college's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (when the college has been subject to a funding audit) in their management letters and other reports.

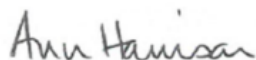
The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee,

which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Executive Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board receives reports from the Executive Team and the Audit Committee on the effectiveness of risk controls. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Governing Board carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the Executive Team and internal audit, and taking account of events since 31 July 2021.

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

**Approved by order of the members of the Corporation on 20<sup>th</sup> January 2022 and signed on its behalf by:**



Ann Harrison  
Chair



Anna Dawe  
Principal



# Wigan & Leigh College

## Statement of Regularity, Propriety and Compliance


The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the college's grant funding agreement and contracts with ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with ESFA.

We confirm on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract with ESFA.

We 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 ESFA.



Anna Dawe  
Principal  
20<sup>th</sup> January 2022



Ann Harrison  
Chair of Governors  
20<sup>th</sup> January 2022

# Wigan & Leigh College

## Statement of Responsibilities of the Members of the Corporation

The members of the corporation, as charity trustees, are required to present audited financial statements for each financial year.

Within the terms and conditions of the college's grant funding agreements and contracts with ESFA, the corporation – through its accounting officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the college and its surplus of income over expenditure for that period.

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
- assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The corporation is also required to prepare a Members' Report, which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the college.

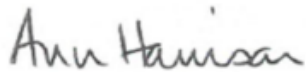
The corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher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

The corporation is responsible for the maintenance and integrity of the College's website; the work carried out by 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.

Members 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 ESFA are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions that may be prescribed

from time to time. 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 from ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on 20<sup>th</sup> January 2022 and signed on its behalf by:



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Ann Harrison  
Chair of governors

**WIGAN AND LEIGH COLLEGE  
INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIGAN AND LEIGH  
COLLEGE FOR THE YEAR ENDED 31 JULY 2021**

**Opinion**

We have audited the financial statements of Wigan and Leigh College (the 'College') for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021, and of its income and expenditure, gains and losses and changes in reserves, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction issued by the Office for Students ('the OfS Accounts Direction').

**Basis for opinion**

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Other information**

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters in relation to which the Regulatory Advice 9: Accounts Direction issued by the Office for Students requires us to report to you if, in our opinion:

- where applicable, funds from whatever source administered by the provider for specific purposes have not been properly applied to those purposes and managed in accordance with relevant legislation; or
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have not been applied in accordance with the relevant terms and conditions; or
- the requirements of the OfS's accounts direction have not been met; or
- the provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the College's expenditure on access and participation activities for the financial year has been materially misstated

## **Responsibilities of the Corporation**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and with ISAs (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Extent to which the audit was considered capable of detecting irregularities including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the College, the environment in which it operates and the control procedures implemented by management and the Corporation; and
- Our enquiries of management and the Corporation about their identification and assessment of the risks of irregularities.

Based on our understanding of the College and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the College's operations;
- Compliance with the Post-16 Audit Code of Practice 2020 to 2021;
- Compliance with the requirements of the Department for Education, Education & Skills Funding Agency and the Office for Students;
- Compliance with the requirements of the Office for Standards in Education; and
- Compliance with Coronavirus Job Retention Scheme.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations, which have a direct impact on the preparation of the financial statements, such as the Statement of Recommended Practice - Accounting for Further and Higher Education 2019 and the Post-16 Audit Code of Practice 2020 to 2021.

We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries; and
- Overstated Coronavirus Job Retention Scheme claims.

#### **Audit response to the risks identified;**

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the College and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit committee, the internal auditors and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Department for Education, Education & Skills Funding Agency, the Office for Students and the Office for Standards in Education;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business; and
- Substantive testing of Coronavirus Job Retention Scheme claims

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

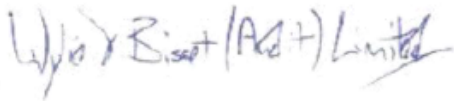
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by Education and Skills Funding Agency and our engagement letter.

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.

Handwritten signature in blue ink that reads "Wylie & Bisset (Audit) Limited".

**Wylie & Bisset (Audit) Limited**

Chartered Accountants

Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

Date: 20<sup>th</sup> January 2022



## **Reporting accountant's assurance report on regularity**

### **To: The corporation of Wigan and Leigh College and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA)**

In accordance with the terms of our engagement letter dated 1st October 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Wigan and Leigh College during the period 1 August 2020 to 31 July 2021 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 Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the corporation of Wigan and Leigh College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Wigan and Leigh College and the ESFA 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 Wigan and Leigh College and the ESFA for our work, for this report, or for the conclusion, we have formed.

#### **Respective responsibilities of Wigan and Leigh College and the reporting accountant**

The corporation of Wigan and Leigh College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that 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 Code. 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 2020 to 31 July 2021 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 Code issued by the ESFA. 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.

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.

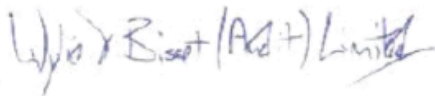
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

### **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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



### **Wylie & Bisset (Audit) Limited**

Chartered Accountants  
Statutory Auditors  
168 Bath Street  
Glasgow  
G2 4TP

Date: 20<sup>th</sup> January 2022

# Wigan & Leigh College

## Statement of Comprehensive Income and Expenditure

	Note	Year ended 31 July 2021	Year ended 31 July 2020
		College £'000	College £'000
<b>INCOME</b>			
Funding body grants	2	29,322	25,455
Tuition fees and education contracts	3	4,033	4,665
Other grants and contracts	4	499	297
Other income	5	617	712
Investment income	6	4	25
<b>Total income</b>		<b>34,474</b>	<b>31,154</b>
<b>EXPENDITURE</b>			
Staff costs	7	21,205	19,592
Fundamental restructure costs	7	-	-
Other operating expenses	8	9,062	9,521
Depreciation	11	3,942	1,169
Interest and other finance costs	9	444	448
<b>Total expenditure</b>		<b>34,654</b>	<b>30,730</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(179)</b>	<b>424</b>
Loss on disposal of assets		-	-
<b>(Deficit)/Surplus before tax</b>		<b>(179)</b>	<b>424</b>
Taxation	10	-	-
<b>(Deficit)/surplus for the year</b>		<b>(179)</b>	<b>424</b>
Unrealised surplus on revaluation of assets		-	-
Actuarial gain / (loss) in respect of pensions	20	5,171	(8,493)
<b>Total Comprehensive Income for the year</b>		<b>4,992</b>	<b>(8,069)</b>
<b>Represented by:</b>			
<b>Restricted comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Unrestricted comprehensive income</b>		<b>4,992</b>	<b>(8,069)</b>
		<b>4,992</b>	<b>(8,069)</b>

The statement of comprehensive income is in respect of continuing activities.

# Wigan & Leigh College

## College Statement of Changes in Reserves

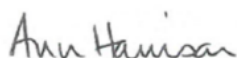
	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
<b>College</b>			
<b>Balance at 1<sup>st</sup> August 2019</b>	5,603	6,870	12,473
Surplus/(deficit) from the income and expenditure account	424	-	424
Other comprehensive income	(8,493)	-	(8,493)
Transfers between revaluation and income and expenditure reserves	54	(54)	-
	<hr/> (8,015)	<hr/> (54)	<hr/> (8,069)
<b>Balance at 31<sup>st</sup> July 2020</b>	<hr/> (2,412)	<hr/> 6,816	<hr/> 4,404
Surplus/(deficit) from the income and expenditure account	(179)	-	(179)
Other comprehensive income	5,171	-	5,171
Revaluation of Assets	-	11,876	11,876
Transfers between revaluation and income and expenditure reserves	362	(362)	-
<b>Total comprehensive income for the year</b>	<hr/> 5,356	<hr/> 11,515	<hr/> 16,868
<b>Balance at 31 July 2021</b>	<hr/> 2,942	<hr/> 18,330	<hr/> 21,272

# Wigan & Leigh College

Balance sheet as at 31 July 2021

	Notes	College 2021 £'000	College 2020 £'000
<b>Non-current assets</b>			
Tangible Fixed assets	11	56,838	44,456
		<u>56,838</u>	<u>44,456</u>
<b>Current assets</b>			
Stocks		106	6
Trade and other receivables	12	1,312	1,135
Cash and cash equivalents	17	10,152	6,630
		<u>11,570</u>	<u>7,771</u>
<b>Creditors – amounts falling due within one year</b>	13	(7,632)	(5,331)
<b>Net current assets</b>		<u>3,938</u>	<u>2,440</u>
<b>Total assets less current liabilities</b>		<b>60,776</b>	<b>46,897</b>
Creditors – amounts falling due after more than one year	14	(20,197)	(19,939)
<b>Provisions</b>			
Defined benefit obligations	20	(19,038)	(22,271)
Other provisions	20	(269)	(285)
<b>Total net assets</b>		<u>21,272</u>	<u>4,404</u>
<b>Unrestricted Reserves</b>			
Income and expenditure account		2,942	(2,412)
Revaluation reserve		18,330	6,816
<b>Total unrestricted reserves</b>		<u>21,272</u>	<u>4,404</u>
<b>Total reserves</b>		<u>21,272</u>	<u>4,404</u>

The financial statements on pages 34 to 60 were approved and authorised for issue by the Corporation on 20<sup>th</sup> January 2022 and were signed on its behalf on that date by:



Ann Harrison  
Chair



Anna Dawe  
Principal

# Wigan & Leigh College

## Consolidated Statement of Cash Flows

	Notes	2021 £'000	2020 £'000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		(179)	424
<b>Adjustment for non-cash items</b>			
Depreciation		3,942	1,169
(Increase)/decrease in stocks		(99)	2
(Increase)/decrease in debtors		(176)	(59)
Increase/(decrease) in creditors due within one year		2,239	93
Increase/(decrease) in creditors due after one year		828	514
Increase/(decrease) in provisions		(13)	4
Pensions costs less contributions payable		1,938	1,273
Taxation		-	-
<b>Adjustment for investing or financing activities</b>			
Investment income		(4)	(25)
Interest payable		120	173
Taxation paid		-	-
Loss on sale of fixed assets		-	-
<b>Net cash flow from operating activities</b>		<u>8,597</u>	<u>3,268</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	-
Disposal of non-current asset investments		-	-
Investment income		4	25
Withdrawal of deposits		-	-
New deposits		-	-
Payments made to acquire fixed assets		(4,448)	(1,424)
		<u>(4,444)</u>	<u>(1,399)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(121)	(173)
Interest element of finance lease rental payments		-	-
New unsecured loans		-	-
Repayments of amounts borrowed		(507)	(570)
Capital element of finance lease rental payments		-	-
		<u>(628)</u>	<u>(742)</u>
<b>Increase / (decrease) in cash &amp; equivalents</b>		<u>3,522</u>	<u>1,127</u>
Cash and cash equivalents at beginning of the year	17	6,630	5,503
Cash and cash equivalents at end of the year	17	10,152	6,630

# Wigan & Leigh College

## Notes to the Financial Statements

### 1. Statement of accounting policies and estimation techniques

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

#### **Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

#### **Going concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

During the year to 31<sup>st</sup> July 2021, the College repaid in full the loan negotiated in 2015 for £1.25M. The College has one remaining outstanding loan facility with £4.95 million of the loan outstanding with bankers on terms negotiated in 2012. The loan is due for repayment as outlined in note 15. The College's forecasts and financial projections indicate that it will be able to operate within the existing banking facility and covenants for the foreseeable future.

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

#### **Recognition of income**

##### *Revenue grant funding*

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding

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

The recurrent grant from OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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

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

#### *Capital grant funding*

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

#### *Fee income*

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

#### *Investment income*

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

#### *Agency arrangements*

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

#### **Accounting for post-employment benefits**

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme



(LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

#### *Teachers' Pension Scheme (TPS)*

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

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

#### *Greater Manchester Pension Fund (GMPF)*

The GMPF is a funded scheme local government pension scheme (LGPS). The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

#### **Short-term Employment benefits**

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

#### **Enhanced Pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

#### **Non-current Assets - Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

#### *Land and buildings*

Freehold buildings are depreciated over their expected useful economic life to the College of between 10 and 60 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 60 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy.

Freehold land is not depreciated as it is considered to have an infinite useful life.

#### *Assets under construction*

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

#### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

#### *Equipment*

Equipment costing less than £10,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- General equipment - 3 years on a straight line basis
- Telephone equipment - 5 years on a straight line basis
- Specialist TV equipment - 7 years on a straight line basis
- Specialist other equipment - 10 years on a straight line basis

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

#### *Borrowing costs*

Borrowing costs are recognised as expenditure in the period in which they are incurred.

### **Leased assets**

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

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

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

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

### **Inventories**

Inventories are stated at the lower of their cost or net realisable value, being selling price less cost to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

### **Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

### **Financial liabilities and equity**

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

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

### **Foreign currency translation**

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities

denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

## **Taxation**

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

## **Provisions and contingent liabilities**

Provisions are recognised when

- the College has a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

## **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

- Determine whether leases entered into by the College as either a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. Factors taken into consideration in reaching such a

decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

*Other key sources of estimation uncertainty*

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 to value the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

<b>2 Funding body grants</b>	Year ended 31 July	Year ended 31 July
	2021	2020
	College £'000	College £'000
<b>Recurrent grants</b>		
Education and Skills Funding Agency - adult	2,881	3,096
Combined Authority – adult	3,718	3,499
Education and Skills Funding Agency -16/18	20,323	17,215
Office for Students	538	631
<b>Specific grants</b>		
Teachers' Pension Scheme contribution grant	573	487
Releases of government capital grants	504	528
ESFA – 16-19 Tuition Fund	658	0
ESFA – High Value Premium	128	0
	<b>29,322</b>	<b>25,455</b>
<b>Total</b>	<b>29,322</b>	<b>25,455</b>
<b>3 Tuition fees and education contracts</b>	Year ended 31 July	Year ended 31 July
	2021	2020
	College £'000	College £'000
Adult education fees	467	342
Fees for FE loan supported courses	162	578
Fees for HE loan supported courses	2,220	2,609
Full cost recovery	214	114
<b>Total tuition fees</b>	<b>3,063</b>	<b>3,643</b>
Education contracts	970	1,022

<b>Total</b>	<b><u>4,033</u></b>	<b><u>4,665</u></b>
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**Details of sources of funding body grants and tuition fees**

	£'000	£'000
Grant income from OFS	538	631
Grant income from other bodies	28,784	24,823
Fee income for taught awards	2,221	2,609
Fee income from non-qualifying courses	<u>1,813</u>	<u>2,056</u>
	<b><u>33,356</u></b>	<b><u>30,119</u></b>

**4 Other grants and contracts**

	Year ended 31 July	Year ended 31 July
	2021	2020
	College	College
	£'000	£'000
Erasmus	0	33
Other grants and contracts	499	264
<b>Total</b>	<b><u>499</u></b>	<b><u>297</u></b>

**5 Other income**

	Year ended 31 July	Year ended 31 July
	2021	2020
	Group	Group
	£'000	£'000
Catering and residences	214	341
Other income generating activities	138	218
Miscellaneous income	265	153
<b>Total</b>	<b><u>617</u></b>	<b><u>712</u></b>

**6 Investment income**

	Year ended 31 July	Year ended 31 July
	2021	2020
	College	College
	£'000	£'000
Other interest receivable	4	25
<b>Total</b>	<b><u>4</u></b>	<b><u>25</u></b>

## 7 Staff costs

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	242	224
Non-teaching staff	277	272
	<u>519</u>	<u>496</u>

### Staff costs for the above persons

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	14,463	13,600
Social security costs	1,299	1,212
Other pension costs	4,781	3,915
	<u>20,543</u>	<u>18,727</u>
<b>Payroll sub total</b>	<b>20,543</b>	<b>18,727</b>
Contracted out staffing services	662	865
	<u>21,205</u>	<u>19,592</u>
Restructuring costs – Contractual	-	-
- Non contractual	-	-
	<u>21,205</u>	<u>19,592</u>
<b>Total Staff costs</b>	<b>21,205</b>	<b>19,592</b>

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive Team that comprises the Principal, Vice Principal Corporate Services, Vice Principal Curriculum, Vice Principal Employment & Skills, Assistant Principal College IT Services/MIS and the Finance Director. There were no key management personnel who received compensation for loss of office in 2020-21.



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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	6	5

The number of key management personnel and other staff who received annual emoluments, excluding employer contributions to national insurance and pensions but including benefits in kind, in the following ranges was:

	<b>Key management personnel</b>		<b>Other staff</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£10,001 to £15,000 p.a.	1	-	-	-
£70,001 to £75,000 p.a.	1	1	-	-
£75,001 to £80,000 p.a.	1	1	-	-
£85,001 to £90,000 p.a.	2	2	-	-
£140,001 to £145,000 p.a.	1	1	-	-
	<b>6</b>	<b>5</b>	-	-

Key management personnel compensation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries- gross of salary sacrifice and waived	491	470
Employers National Insurance	62	59
Benefits in kind	-	-
	<b>553</b>	<b>529</b>
Pension contributions	113	107
Total key management personnel compensation	<b>666</b>	<b>636</b>

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

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	147	145
Benefits in kind	-	-
	147	145
Pension contributions	35	33

The remuneration package of Key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of Governing Board, who undertakes an annual review of her performance against the college's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Principal's basic salary as a multiple of the median of all staff	4.93	4.93
Principal and CEO's total remuneration as a multiple of the median of all staff	4.99	4.38

#### **Compensation for loss of office paid to former key management personnel**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Compensation paid to the former post-holder –	-	-
Estimated value of other benefits, including provisions for pension benefits	-	-

The members of the Corporation other than the Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

#### **8 Other operating expenses**

	<b>2021</b>	<b>2020</b>
	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>
Teaching costs	3,135	3,534
Non-teaching costs	3,829	3,739
Premises costs	2,098	2,248
<b>Total</b>	<b><u>9,062</u></b>	<b><u>9,521</u></b>
<b>Other operating expenses include:</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>

Auditors' remuneration:

Financial statements audit	21	19
Internal audit	8	9
Other services provided by the internal auditors	-	-

<b>8a Access and participation spending</b>	<b>2021 College £'000</b>	<b>2020 College £'000</b>
Access investment	78	67
Financial support to student	0	1
Disability support	0	0
Research and evaluation (relating to access & participation)	0	0
<b>Total</b>	<b>78</b>	<b>68</b>

## 9 Interest and other finance costs – College

	<b>2021 £'000</b>	<b>2020 £'000</b>
On bank loans, overdrafts and other loans:	121	173
	<hr/>	<hr/>
	121	173
Net interest on defined pension liability (note 20)	323	275
	<hr/>	<hr/>
<b>Total</b>	<b><u>444</u></b>	<b><u>448</u></b>

## 10 Taxation

The members do not believe that the College was liable for any corporation tax arising out of its activities during either year.

## 11 Tangible fixed assets

	Land and buildings		Equipment	Assets in the course of construction	Total
	Freehold	Long leasehold			
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2020	53,967	1,691	3,520	279	59,457
Revaluation	11,876	-	-	-	11,876
Transfers	279	-	-	(279)	-
Additions	67	-	605	3,776	4,448
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>66,189</b>	<b>1,691</b>	<b>4,125</b>	<b>3,776</b>	<b>75,781</b>
<b>Depreciation</b>					
At 1 August 2020	11,964	-	3,037	-	15,001
Charge for the year	3,795	-	148	-	3,942
Elimination in respect of disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>15,759</b>	<b>-</b>	<b>3,184</b>	<b>-</b>	<b>18,943</b>
<b>Net book value at 31 July 2021</b>	<b>50,431</b>	<b>1,691</b>	<b>940</b>	<b>3,776</b>	<b>56,838</b>
Net book value at 31 July 2020	42,003	1,691	483	279	44,456

Land & buildings were re-valued in 2020 at depreciated replacement cost by Avison Young, a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes.

## 12 Trade and other receivables

	College 2021 £'000	College 2020 £'000
Amounts falling due within one year:		
Trade receivables	318	353
Other Debtors	6	2
Prepayments and accrued income	438	406
Amounts owed by the ESFA	550	375
<b>Total</b>	<b><u>1,312</u></b>	<b><u>1,135</u></b>

## 13 Creditors: amounts falling due within one year

	College 2021 £'000	College 2020 £'000
Bank loans and overdrafts	570	507
Trade payables	2,670	1,904
Other taxation and social security	577	516
Accruals and deferred income	1,827	1,024
Deferred income - government capital grants	504	526
Payments received in advance	980	645
Amounts owed to the ESFA	504	189
Amounts owed to GMCA	-	20
<b>Total</b>	<b><u>7,632</u></b>	<b><u>5,331</u></b>

## 14 Creditors: amounts falling due after one year

	College 2021 £'000	College 2020 £'000
Bank loans	4,383	4,953
Deferred income - government capital	15,814	14,986
<b>Total</b>	<b><u>20,197</u></b>	<b><u>19,939</u></b>

## 15 Maturity of debt

### (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	College 2021 £'000	College 2020 £'000
In one year or less	570	507
Between one and two years	570	320
Between two and five years	1,708	959
In five years or more	2,105	3,674
<b>Total</b>	<b>4,953</b>	<b>5,460</b>

During the year to 31st July 2021, the College repaid in full the loan negotiated in 2015 for £1.25M.

The College has one remaining loan facility with £4.95 million outstanding with bankers on terms negotiated in 2012. The loan is secured by negative pledge, bears interest at LIBOR plus 2.25% and is repayable by instalments falling due between 20 January 2012 and 31 January 2027.

<b>16 Provisions</b>	Defined benefit obligations	Restructuring	Enhanced pensions	Total
	£'000	£'000	£'000	£'000
At 1 August 2020	22,271	-	282	22,553
Expenditure in the period	1,938	-	(20)	1,918
Additions in period	(5,171)	-	7	(5,164)
<b>At 31 July 2021</b>	<b>19,038</b>	<b>-</b>	<b>269</b>	<b>19,306</b>

The enhanced pension provision relates to the cost of staff that have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date.

The principal assumptions for this calculation are:

	<b>2021</b>	<b>2020</b>
Price inflation	2.6%	2.2%
Discount rate	1.6%	1.3%

<b>17 Cash and equivalents</b>	<b>At 1 August 2020</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>At 31 July 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	6,630	3,522	-	10,152
Overdrafts	-	-	-	-
<b>Total</b>	<b><u>6,630</u></b>	<b><u>3,522</u></b>	<b><u>-</u></b>	<b><u>10,152</u></b>

#### **18 Capital and other commitments**

	<b>Group and College</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 July	<u>209</u>	<u>60</u>

#### **19 Events after the reporting period**

There have been no events after the reporting period that require disclosure.

#### **20 Defined benefit obligations**

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Greater Manchester Pension Fund (GMPF). Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2019 and of the LGPS 31 March 2019.

Total pension cost for the year	<b>2021</b>	<b>2020</b>
	£'000	£'000
Teachers' Pension Scheme:	1,980	1,736
Local Government Pension Scheme:		
Contributions paid	1,208	1,186
Other pension adjustments	-	-
FRS 102 charge	1,615	998
Charge to the Statement of Comprehensive Income	2,823	2,184
Enhanced pension charge to Statement of Comprehensive Income	2	26
Total Pension Cost for Year within staff costs	4,805	3,945

### Teachers' Pension Scheme

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

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

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

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



The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (the Department in April 2019). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards compared to 16.48% during 2018-19. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

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

The pension costs paid to TPS in the year amounted to £2,700,749 (2020: £2,389,725)

### Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined-benefit plan, with the assets held in separate funds administered by Tameside Metropolitan Borough Council. The total contributions made for the year ended 31 July 2021 were £1,549,614 of which employer's contributions totalled £1,210,216 and employees' contributions totalled £339,397. The agreed contribution rates for future years are 22.7% for employers and range from 5.5% to 12.5% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	3.6%	3.0%
Future pensions increases	2.85%	2.0%
Discount rate for scheme liabilities	1.6%	1.4%
Inflation assumption (CPI)	2.85%	2.4%
Commutation of pensions to lump sums (pre April 2008)	55%	55%
Commutation of pensions to lump sums (post April 2008)	60%	60%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2021	At 31 July 2020
	Years	Years
<i>Retiring today</i>		

The amount included in the balance sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	74,860	62,404
Present value of plan liabilities	(93,898)	(84,675)
<b>Net pensions (liability)/asset</b>	<b>(19,038)</b>	<b>(22,271)</b>
Males		20.5
Females		23.3
<i>Retiring in 20 years</i>		
Males		21.9
Females		25.3

The College's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	Long-term rate of return expected at 31 July 2021	Fair Value at 31 July 2021 £'000	Long-term rate of return expected at 31 July 2020	Fair Value at 31 July 2020 £'000
Equity instruments	2.7%	53,151	2.7%	41,811
Debt instruments	2.7%	11,299	2.7%	11,223
Property	2.7%	4,492	2.7%	4,368
Cash	2.7%	5,989	2.7%	4,992
<b>Total fair value of plan assets</b>		<b><u>74,860</u></b>		<b><u>62,404</u></b>

<b>Weighted average expected long term rate of return</b>	<b>2.7%</b>
	<b>2.7%</b>

<b>Actual return on plan assets</b>	<b><u>12,456</u></b>	<b><u>(3,495)</u></b>
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Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2021 £'000	2020 £'000
<b>Amounts included in staff costs</b>		
Current service cost	2,823	2,350
Past service cost	-	(166)
<b>Total</b>	<u><b>2,823</b></u>	<u><b>2,184</b></u>
<b>Amounts included in investment income</b>		
Net interest income	(323)	(275)
	<u><b>(323)</b></u>	<u><b>(275)</b></u>

**Amount recognised in Other Comprehensive Income**

Return on pension plan assets	12,026	(4,475)
Experience losses arising on defined benefit	-	-
Changes in assumptions underlying the present value of plan liabilities	(6,855)	(4,018)
<b>Amount recognised in Other Comprehensive Income</b>	<u><b>5,171</b></u>	<u><b>(8,493)</b></u>

**Movement in net defined benefit (liability)/asset during year**

	2021 £'000	2020 £'000
Net defined benefit (liability)/asset in scheme at 1 August	(22,271)	(12,505)
Movement in year:		
Current service cost	(2,823)	(2,350)
Employer contributions	1,208	1,186
Past service cost	-	166
Net interest on the defined (liability)/asset	(323)	(275)
Actuarial gain or loss	5,171	(8,493)
<b>Net defined benefit (liability)/asset at 31 July</b>	<u><b>(19,038)</b></u>	<u><b>(22,271)</b></u>

## Asset and Liability Reconciliation

	2021 £'000	2020 £'000
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	84,675	78,403
Current service cost	2,823	2,350
Interest cost	1,193	1,658
Contributions by Scheme participants	339	330
Experience gains and losses on defined benefit	-	-
Changes in financial assumptions	6,855	4,018
Estimated benefits paid	(1,987)	(1,918)
Past Service cost	-	(166)
Curtailments and settlements	-	-
<b>Defined benefit obligations at end of period</b>	<b>93,898</b>	<b>84,675</b>
<b>Changes in fair value of plan assets</b>		
<b>Fair value of plan assets at start of period</b>	62,404	65,898
Interest on plan assets	870	1,383
Return on plan assets	12,026	(4,475)
Employer contributions	1,208	1,186
Contributions by Scheme participants	339	330
Estimated benefits paid	(1,987)	(1,918)
<b>Fair value of plan assets at end of period</b>	<b>74,860</b>	<b>62,404</b>

These accounts show a past service cost of £230 million in respect of the McCloud / Sergeant judgment, which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 2% of the total scheme liability as at 31 March 2019. The calculation of adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long-term general

pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% per annum increase would increase the estimated cost by 65%.

## 21 Related party transactions

Due to the nature of the College's operations which are managed through the Executive Team and also the composition of the board of governors 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 Executive or the board of governors 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.

The total expenses paid to or on behalf of the Governors during the year was £nil (2020: £190).

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2020: £0).

## 22 Amounts disbursed as agent Learner support funds

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Funding body grants - hardship	1,114	787
Funding body grants – Childcare	14	126
Other funding body grants	191	326
	<u>1,319</u>	<u>1,239</u>
Disbursed to students	(886)	(1,060)
Administration costs	(34)	(31)
	<u>399</u>	<u>148</u>
Balance unspent as at 31 July, included in creditors	<u>399</u>	<u>148</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.