

# Wigan & Leigh College

Report and Financial Statements for the  
year ended 31 July 2022



# Wigan & Leigh College

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# Wigan & Leigh College

## Reference and Administrative Details

### **Board of Governors** (at 31<sup>st</sup> July 2022)

Ann Harrison (Chair)  
Katherine Causey (Vice-Chair)  
Andrea Ferguson (Vice Chair)  
Susan Spibey  
Jenny Bullen  
Harinder Dhaliwal  
Susan Snape  
Alison McKenzie-Folan  
Hayley Mercer  
Tom Mooney  
Steven Tomlinson  
Nazia Rehman  
Anna Dawe (Principal)  
Jennifer Connor (Staff)  
Rebecca Turley (Staff)  
Andrei Gheorghita (Student)  
Lizzie McKenzie (Student)

### **Clerk to the Board**

Joanne Platt

### **Senior Management Team** (at 31<sup>st</sup> July 2022)

Anna Dawe	- Principal / CEO
Anne-Marie Francis	- Vice Principal Curriculum
Louise Brown	- Vice Principal College Services
Alison Rushton	- Vice Principal Employment & Skills
Dave Harrison	- Vice Principal Data & Funding
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  
Chartered Accountants  
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 2022.

### 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**

- **Quality: providing an exceptional learning experience enabling all learners to fulfil their potential through:**
  - Inspirational and innovative teaching, learning and training which removes barriers to learning and raises aspiration and attainment.
  - An inclusive curriculum offer that is committed to citizenship and wellbeing and through the development of knowledge and skills supports our learners to progress in their chosen career.
  - Highly personalised, proactive careers guidance inspiring learners to take advantage of opportunities, make informed choices and secure positive and sustained outcomes for their future.
- **Place and Productivity: as an anchor institution in our community, increase local productivity, innovation and social inclusion by:**
  - Collaborating with employers to co-create a training offer that supports innovation, responds to the needs of the future workforce and encourages skill escalation.
  - Maximising participation rates in education and training creating a line of sight to work and increased personal independence.
  - Creating a stronger, safer and healthier local community through partnership working with Wigan Council, partner schools, employers, health partners and the voluntary sector so engagement and attainment gaps are eliminated
- **Investment for the Future: invest in the workforce, learning environment and curriculum of the future by:**
  - Investing in the development and wellbeing of our workforce leading to increased levels of engagement and influence on the direction of our College.
  - Reshaping the College estate to meet the demands of future work and learning practices, responding to the climate crisis and preparing for the net-zero economy.

- Prioritising the digitalisation of learning and College business operations to enhance the experience for our students and workforce.
- Create learning environments that inspire and equip students for the seamless transition into the world of work and future skills needs.

## **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 492 people (expressed as full-time equivalents), of whom 241 are teaching staff.

The College enrolled approximately 8,406 students. The college's student population includes 3,231 16-to-18-year-old students, 1,557 apprentices, 453 higher education students and 3,165 adult learners.

The College has £42.3 million of net assets and long-term debt of £4.3 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 is also a member 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, Wrightington 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 £570k with total comprehensive income of £20.894 million that is stated after accounting for an £21.4 million actuarial gain in respect of pension schemes.

### **Developments**

The college's redevelopment involved tangible fixed asset additions during the year that amounted to £603k. This was split between various projects as detailed below:

- Refurbishment and development of the Foundation Teaching and Learning facility at Parsons Walk
- Development work in our Leigh Adult Learning Centre
- LRC re-development at our Pagefield Campus
- Creation of an Administration Hub at our Parsons Walk Campus
- Provision and development of outside spaces in our Parsons Walk courtyard

### **Reserves**

The College has accumulated reserves of £42.3M and cash and short-term investment balances of £11.4M. 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 2021-22, the FE funding bodies provided 81.6% of the College's total income (2020-21 – 85%).

## **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 T-Level provision in the 2021/22 year, and will continue to increase the breadth of T-level provision, in subsequent years, as pathways become available. The College has grown over the last three years, and is preparing for continued growth as substantial increases to the local demographics continue in 2021-22. 16-18 numbers are once again increased for 2021-22 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 2022, which sets objectives for the period to 2023. 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 2023.

## **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 £11.42M (2020-21 £10.15M), net cash flow from operating activities of £1.3M 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 £24.2M (2020-21 £2.9M).

## **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 2021-22, 81.6% (2020-21: 85%) 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' global concerns regarding inflation and the impact of the situation in the Ukraine;
- The continuing devolution of Adult Education Budget by the Greater Manchester Combined Authority. Funding levels in 2022-23 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 national contract and there are uncertainties as to how effectively we 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 (50%) 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.

10.9% 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

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 2021-22	National Average
16-18 Achievement rates (Overall)	85.2%	83.4%
19+ Achievement rates (Overall)	85.5%	89.9%
16-18 Retention (Overall)	90.6%	91.0%
19+ Retention (Overall)	89.9%	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 2021-22 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.

## **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 8,406 students, including 164 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 1,557 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	£22.808M
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 2021-22, 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 6th December 2022  
and signed on its behalf by:**



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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 2021 to 31<sup>st</sup> July 2022 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 2022. 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 revised in September 2022, formally adopted the Code and has operated in accordance with the Code since its inception.

## 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	Current Term of Office	Date of Resignation	Status of appointment	Committees Served	2021-22 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; Resources Committee (Vice Chair) Remuneration Committee	14 of a possible 14 meetings
Katherine Causey (Vice	First appointment November 2013	4 years	N/A	Independent Governor	Governing Board;	10 of a possible 13 meetings

Name	Date of Appointment	Current Term of Office	Date of Resignation	Status of appointment	Committees Served	2021-22 Attendance
Chair of the Board)	Reappointed July 2021				Audit Committee (Chair); Search & Governance Committee; Remuneration Committee (Chair)	
Diane Brennan	First appointment April 2011  Reappointed October 2018	4 years	4 March 2022 <sup>1</sup>	Independent Governor	Governing Board; Resources Committee (Chair); Search & Governance Committee; Remuneration Committee	Four of a possible seven meetings
Andrea Ferguson (Vice Chair of the Board from 5 July 2022)	First Appointment February 2018  Re-appointed December 2021	4 years	N/A	Independent Governor	Governing Board; Curriculum & Student Matters Committee (Chair); Search & Governance Committee (Vice Chair); Remuneration Committee (Vice Chair)	13 of a possible 13 meetings
Susan Loudon	First appointment November 2014  Reappointed October 2018	4 years	1 March 2022	Independent Governor	Governing Board; Remuneration Committee; Search & Governance Committee; Audit Committee	Two of a possible four meetings
Susan Spibey	First appointment November 2012  Reappointed October 2020	4 years	N/A	Independent Governor	Governing Board; Resources Committee	Five of a possible eight meetings
Jenny Bullen	First appointment September 2017  Reappointed July 2021	4 years	N/A	Independent Governor	Governing Board; Curriculum & Student Matters Committee	Seven of a possible eight meetings
David McDonald	First appointment October 2019	4 Years	19 January 2022	Independent Governor	Governing Board; Audit Committee	Two of a possible three meetings

<sup>1</sup> Appointed as a Co-opted Governor and Chair of the Resources Committee on 22 March 2022

Name	Date of Appointment	Current Term of Office	Date of Resignation	Status of appointment	Committees Served	2021-22 Attendance
Alison Chambers	First appointment October 2019	4 Years	7 March 2022	Independent Governor	Governing Board; Resources Committee	Two of a possible four meetings
Harinder Dhaliwal	First appointment October 2021	4 years	N/A	Independent Governor	Governing Board; Resources Committee	Five of a possible seven meetings
Anthony Costello	First appointment October 2021	4 years	11 Jan 2022	Independent Governor	Governing Board; Curriculum & Student Matters Committee	Two of a possible two meetings
Anna Dawe (Principal)	Ex-Officio since April 2016	Ex-Officio	N/A	Principal	Governing Board; Search & Governance Committee; Curriculum & Student Matters Committee; Resources Committee	14 of a possible 14 meetings
Jennifer Connor	First appointment June 2015  Reappointed October 2019	4 years	N/A	Staff Governor	Governing Board; Curriculum & Student Matters Committee	Seven of a possible eight meetings
Rebecca Turley	October 2019	4 Years	N/A	Staff Governor	Governing Board; Curriculum & Student Matters Committee (Vice Chair)	Eight of a possible eight meetings
Susan Snape	22 March 2022	4 Years	N/A	Independent Governor	Governing Board; Audit Committee (Vice Chair)	Four of a possible four meetings
Tom Mooney	22 March 2022	4 Years	N/A	Independent Governor	Governing Board; Resources Committee Remuneration Committee	Three of a possible four meetings
Steven Tomlinson	22 March 2022	4 Years	N/A	Independent Governor	Governing Board; Curriculum & Student Matters Committee	Three of a possible three meetings
Hayley Mercer	22 March 2022	4 Years	N/A	Independent Governor	Governing Board; Audit Committee	Four of a possible four meetings
Alison McKenzie-Folan	22 March 2022	4 Years	N/A	Independent Governor	Governing Board; Search & Governance Committee Resources Committee	Two of a possible four meetings

Name	Date of Appointment	Current Term of Office	Date of Resignation	Status of appointment	Committees Served	2021-22 Attendance
Andrei Gheorghita	First appointment October 2021	2 years	31 July 2022	Student Governor	Governing Board; Curriculum & Student Matters Committee	Six of a possible seven meetings
Elizabeth MacKenzie	First appointment December 2021	2 years	31 July 2022	Student Governor	Governing Board; Curriculum & Student Matters Committee	Four of a possible five meetings

Members of the corporation are appointed for a term of office not exceeding four years and are eligible for re-appointment.

The Board considered whether it is appropriate to amend the College's Instrument and Articles of Government, to introduce a maximum term of office for Governors at its Strategic Workshop held on 11 March 2022. It was decided not to do this because the Board would lose many experienced Governors, many at the same time, which will de-stabilise the Board, it is difficult to recruit good Governors (across the sector) and there is currently a mix of long-standing and new Governors on the Board, which makes for a strong and cognitively diverse Board.

Instead, the Board decided to maintain its flexible approach to retaining talent, by always ensuring that the skills of Governors to be appointed or re-appointed meet the current needs of the Board. Existing Governors are not re-appointed simply because of their performance as a Governor to date, but on the basis of whether their skills meet the needs of the Board at the time of their re-appointment.

Membership of Committees and Chairs / Vice Chairs are reviewed annually with changes made to Committee memberships at least once every two years, to provide all Governors with a wider experience of all areas of the Board's business. Succession planning is based on skills, experience and aspirations, all to be considered annually in Governor 1-1s with the Chair.

The Board's Succession Plan (approved in July 2022) was developed to ensure strong and effective governance, to enable the Board to plan proactively for the long-term sustainability of a strong and effective Board and to ensure the College always makes best use of the skills currently available to the Board.

## **Corporation performance**

The average percentage attendance of governors at meetings of the Governing Board was 80%. Overall attendance at Board and committee meetings was 87.5%.

Joanne Platt was Clerk to the Governing Body for the entire academic and financial year and continues in this role with the title Director of Governance in 2022-23.

During 2021-22, Governors and the Clerk undertook a number of development activities, which are summarised below.

Nine Governors and two governors elect attended the Annual Strategic Workshop held in March 2022.

Five new Governors attended the Association of College's (AoC) Governor Induction event and seven new Governors attended induction with the Director of Governance.

Six new Governors undertook Governor mandatory training, which included Safeguarding and Prevent, Equality and Diversity, Health and Safety and GDPR. Two other Governors also attended this training as a refresher to their previous training. Five new Governors attended an additional induction session with the Executive Team.

13 Governors carried out Link Governor visits (some attended more than one visit).

One new Governor was appointed as Lead Governor for Careers & Destinations as a development opportunity.

One Governor attended two of a six-session AoC programme on Finance and another Governor attended four of the sessions.

Two staff Governors attended the Education and Training Foundation's Staff Governor's Conference.

One Governor attended the AoC's annual Governance Conference.

All Governors attended training in the use of the College's new Board Portal introduced in December 2022.

The Clerk attended the AoC's annual Governance Summit, two AoC's regional Governance Conferences, two meetings of the AoC's Governance Professionals' Network and the AoC's Governance Professional's Away Day. She also attended the Governors' Strategic Workshop in March 2022 and training on the College's new Board Portal and on MS Forms.

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 five Board meetings in 2021-22 and all committee meetings took place as

planned. Three meetings of the Board took place face to face. Two meetings took place online. All meetings of the Curriculum and Student Matters Committee took place face to face. Two meetings of the Search and Governance Committee took place face to face. All other committee meetings took place online.

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 Director of Governance at the college's registered address.

The Director of Governance 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 Director of Governance, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, performance evaluation and removal of the Director of Governance are matters that are reserved to the Board.

Formal agendas, papers and reports for all committee and Board meetings are provided to governors in a timely manner, through a secure Board Portal. Briefings are provided on an ad hoc basis as required.

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.

The Board self-assessment for the year 2021-22 measured the Board against the Ofsted Education Inspection Framework criteria. It was informed by a survey of all members and concluded that the Board and its committees had been effective. In addition, the College undertook an assessment against the Association of Colleges' revised Code of Good Governance for English Colleges (the Code). Areas for improvement arising from both the Board Self-Assessment and the analysis against the Code were identified, and actions to address these have been incorporated into the College Quality Improvement Plan for 2022-23.

The Board has approved a policy for Peer observation and review and in accordance with this, has agreed to commission its first external Board Review in the Spring Term of 2023-24.

## **Appointments to the Corporation**

Any new appointments to the Corporation are reserved to the Governing Board. The Corporation has a Search and Governance Committee, consisting of five 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 and are eligible for re-appointment.

## **Corporation Performance**

The Governing Board carried out a self-assessment of its own performance for the year ended 31st July 2022 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 Director of Governance.

## **Remuneration Committee**

The college has adopted Association of College's Senior Staff Remuneration Code.

Throughout the year ending 31 July 2022 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 Director of Governance.

Details of remuneration for the year ended 31 July 2022 are set out in note 7 to the financial statements.

## **Audit Committee**

The Audit Committee comprises four members of the Corporation, including a co-opted audit specialist. The Accounting Officer and Chair of the Board are not members of the Committee. The Committee operates in accordance with written terms of reference approved by the Governing Board, which complies fully with the *Post-16 Audit Code of Practice*.

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, at the start of each meeting, 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.

Attendance by each member of the Committee is shown below:

**Kath Causey** (Chair): Three of a possible three meetings

**Susan Loudon** (resigned on 1 March 2022): None of a possible one meeting



**David McDonald** (resigned 19 January 2022): One of a possible one meeting

**Pauline Hunter:** Three of a possible three meetings

**Susan Snape** (member of the Committee and Vice Chair from 22 March 2022): Two of a possible two meetings

**Hayley Mercer** (member of the Committee from 22 March 2022): Two of a possible two meetings

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 2022 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 in place 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 2022 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 2021-22, the scheduled audit plan approved by the Governing Board was delivered by the internal auditors as planned.

#### *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

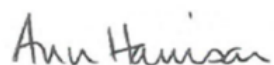
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (when 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 2022 meeting, the Governing Board carried out the annual assessment for the year ended 31 July 2022 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 assets"*.

**Approved by order of the members of the Corporation on 6 December 2022  
and signed on its behalf by:**



Ann Harrison  
Chair



Anna Dawe  
Principal

# Wigan & Leigh College

## Statement of Regularity, Propriety and Compliance

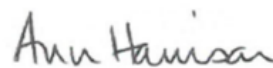
The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the college's grant funding agreement and contracts with ESFA. As part of our consideration we 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  
6th December 2022



Ann Harrison  
Chair of Governors  
6th December 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 6th December 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 2022**

## **Opinion**

We have audited the financial statements of Wigan and Leigh College (the 'College') for the year ended 31 July 2022 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 2022, 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 2021 to 2022;
- Compliance with the requirements of the Department for Education, Education & Skills Funding Agency and the Office for Students; and
- Compliance with the requirements of the Office for Standards in Education

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 2021 to 2022.

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

### **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; and
- 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

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.

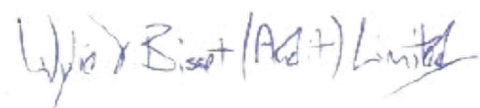
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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.



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

Chartered Accountants

Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

Date: 6th December 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 2021 to 31 July 2022 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 2021 to 31 July 2022 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.

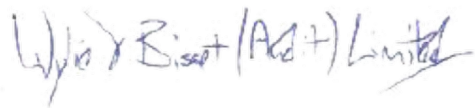
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

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 2021 to 31 July 2022 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

A handwritten signature in blue ink that reads "Wylie & Bisset (Audit) Limited". The signature is written in a cursive, flowing style.

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

Chartered Accountants  
Statutory Auditors  
168 Bath Street  
Glasgow  
G2 4TP

Date: 6th December 2022



# Wigan & Leigh College

## Statement of Comprehensive Income and Expenditure

	Note	Year ended 31 July 2022	Year ended 31 July 2021
		College £'000	College £'000
<b>INCOME</b>			
Funding body grants	2	29,305	29,322
Tuition fees and education contracts	3	4,046	4,033
Other grants and contracts	4	1,447	499
Other income	5	1,071	617
Investment income	6	45	4
<b>Total income</b>		<b>35,914</b>	<b>34,474</b>
<b>EXPENDITURE</b>			
Staff costs	7	22,809	21,205
Fundamental restructure costs	7	-	-
Other operating expenses	8	11,610	9,062
Depreciation	11	1,615	3,942
Interest and other finance costs	9	450	444
<b>Total expenditure</b>		<b>36,484</b>	<b>34,654</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(570)</b>	<b>(179)</b>
Loss on disposal of assets		-	-
<b>(Deficit)/Surplus before tax</b>		<b>(570)</b>	<b>(179)</b>
Taxation	10	-	-
<b>(Deficit)/surplus for the year</b>		<b>(570)</b>	<b>(179)</b>
Unrealised surplus on revaluation of assets		-	-
Actuarial gain / (loss) in respect of pensions	20	21,465	5,171
<b>Total Comprehensive Income for the year</b>		<b>20,895</b>	<b>4,992</b>
<b>Represented by:</b>			
<b>Restricted comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Unrestricted comprehensive income</b>		<b>20,895</b>	<b>4,992</b>
		<b>20,895</b>	<b>4,992</b>

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

# Wigan & Leigh College

## College Statement of Changes in Reserves

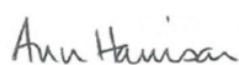
	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
<b>College</b>			
<b>Balance at 1<sup>st</sup> August 2020</b>	(2,328)	6,818	4,489
Surplus/(deficit) from the income and expenditure account	(179)	-	(179)
Revaluation of Assets	-	11,876	11,876
Other comprehensive income	5,171	-	5,171
Transfers between revaluation and income and expenditure reserves	364	(364)	-
	5,356	11,512	16,868
<b>Balance at 31<sup>st</sup> July 2021</b>	3,028	18,330	21,358
Surplus/(deficit) from the income and expenditure account	(570)	-	(570)
Other comprehensive income	21,465	-	21,465
Revaluation of Assets	-	-	-
Transfers between revaluation and income and expenditure reserves	324	(324)	-
<b>Total comprehensive income for the year</b>	21,219	(324)	20,895
<b>Balance at 31 July 2022</b>	24,247	18,005	42,252

# Wigan & Leigh College

## Balance sheet as at 31 July 2022

	Notes	College 2022 £'000	College 2021 £'000
<b>Non-current assets</b>			
Tangible Fixed assets	11	<u>55,827</u>	<u>56,838</u>
		<b>55,827</b>	<b>56,838</b>
<b>Current assets</b>			
Stocks		20	106
Trade and other receivables	12	1,417	1,312
Cash and cash equivalents	17	<u>11,420</u>	<u>10,152</u>
		<b>12,857</b>	<b>11,570</b>
<b>Creditors – amounts falling due within one year</b>	13	<u>(6,849)</u>	<u>(7,546)</u>
<b>Net current assets</b>		<b>6,008</b>	<b>4,024</b>
<b>Total assets less current liabilities</b>		<b>61,836</b>	<b>60,862</b>
Creditors – amounts falling due after more than one year	14	<u>(19,365)</u>	<u>(20,197)</u>
<b>Provisions</b>			
Defined benefit obligations	20	0	(19,038)
Other provisions	20	<u>(217)</u>	<u>(269)</u>
<b>Total net assets</b>		<b>42,253</b>	<b>21,358</b>
<b>Unrestricted Reserves</b>			
Income and expenditure account		24,247	3,028
Revaluation reserve		<u>18,005</u>	<u>18,330</u>
<b>Total unrestricted reserves</b>		<b>42,252</b>	<b>21,358</b>
<b>Total reserves</b>		<b>42,252</b>	<b>21,358</b>

The financial statements on pages 41 to 69 were approved and authorised for issue by the Corporation on 6th December 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	2022 £'000	2021 £'000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		(570)	(179)
<b>Adjustment for non-cash items</b>			
Depreciation		1,615	3,942
(Increase)/decrease in stocks		86	(99)
(Increase)/decrease in debtors		(105)	(176)
Increase/(decrease) in creditors due within one		(783)	2,239
Increase/(decrease) in creditors due after one year		(199)	828
Increase/(decrease) in provisions		(52)	(13)
Pensions costs less contributions payable		2,511	1,938
Taxation		-	-
<b>Adjustment for investing or financing activities</b>			
Investment income		(45)	(4)
Interest payable		129	120
Taxation paid		-	-
Loss on sale of fixed assets		-	-
<b>Net cash flow from operating activities</b>		<u>2,587</u>	<u>8,597</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	-
Disposal of non-current asset investments		-	-
Investment income		45	4
Withdrawal of deposits		-	-
New deposits		-	-
Payments made to acquire fixed assets		(603)	(4,448)
		<u>(558)</u>	<u>(4,444)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(129)	(121)
Interest element of finance lease rental payments		-	-
New unsecured loans		-	-
Repayments of amounts borrowed		(633)	(507)
Capital element of finance lease rental payments		-	-
		<u>(762)</u>	<u>(628)</u>
<b>Increase / (decrease) in cash &amp; equivalents</b>		<u><b>1,268</b></u>	<u><b>3,522</b></u>
Cash and cash equivalents at beginning of the year	17	10,152	6,630
Cash and cash equivalents at end of the year	17	11,420	10,152

# 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 2021 to 2022 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.

The College has one outstanding loan facility with £4.321 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 2022. 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>	<b>Year ended 31</b>	<b>Year ended 31</b>
	<b>July</b>	<b>July</b>
	<b>2022</b>	<b>2021</b>
	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>
<b>Recurrent grants</b>		
Education and Skills Funding Agency - adult	2,318	2,881
Combined Authority – adult	3,615	3,718
Education and Skills Funding Agency -16/18	21,105	20,323
Office for Students	518	538
<b>Specific grants</b>		
Teachers' Pension Scheme contribution	581	573
Releases of government capital grants	528	504
ESFA – 16-19 Tuition Fund	511	658
ESFA – High Value Premium	128	128
	<b>29,305</b>	<b>29,323</b>
<b>Total</b>		
<b>3 Tuition fees and education contracts</b>		
	<b>Year ended 31</b>	<b>Year ended 31</b>
	<b>July</b>	<b>July</b>
	<b>2022</b>	<b>2021</b>
	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>
Adult education fees	687	467
Fees for FE loan supported courses	4	162
Fees for HE loan supported courses	2,172	2,220
Full cost recovery	212	214
<b>Total tuition fees</b>	<b>3,075</b>	<b>3,063</b>
Education contracts	971	970
<b>Total</b>	<b>4,046</b>	<b>4,033</b>

**Details of sources of funding body grants and tuition fees**

	<b>£'000</b>	<b>£'000</b>
Grant income from OFS	519	538
Grant income from other bodies	28,147	28,784
Fee income for taught awards	2,172	2,221
Fee income from non-qualifying courses	<u>1,874</u>	<u>1,813</u>
	<b><u>32,712</u></b>	<b><u>33,356</u></b>

**4 Other grants and contracts**

	<b>Year ended 31 July 2022 College £'000</b>	<b>Year ended 31 July 2021 College £'000</b>
Erasmus	394	0
Other grants and contracts	1,053	499
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,447</u></b>	<b><u>499</u></b>

**5 Other income**

	<b>Year ended 31 July 2022 College £'000</b>	<b>Year ended 31 July 2021 College £'000</b>
Catering and residences	482	214
Other income generating activities	257	138
Miscellaneous income	331	265
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,071</u></b>	<b><u>617</u></b>

**6 Investment income**

	<b>Year ended 31 July 2022 College £'000</b>	<b>Year ended 31 July 2021 College £'000</b>
Other interest receivable	<u>45</u>	<u>4</u>
<b>Total</b>	<b><u>45</u></b>	<b><u>4</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>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	241	240
Non-teaching staff	251	228
	<u><b>492</b></u>	<u><b>468</b></u>

### Staff costs for the above persons

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	15,338	14,463
Social security costs	1,432	1,299
Other pension costs	5,462	4,781
<b>Payroll sub total</b>	<b>22,232</b>	<b>20,543</b>
Contracted out staffing services	576	662
	<u><b>22,809</b></u>	<u><b>21,205</b></u>
Restructuring costs – Contractual	-	-
- Non contractual	-	-
	<u>-</u>	<u>-</u>
<b>Total Staff costs</b>	<u><b>22,809</b></u>	<u><b>21,205</b></u>

### 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, Vice Principal Data & Funding and the Finance Director. There were no key management personnel who received compensation for loss of office in 2021-22.

## Senior Post Holders

The Remuneration committee is responsible for making recommendations to the Board on the remuneration and benefits for the colleges senior post holders who are the Accounting Officer (the Principal), the Vice Principal Curriculum, the Finance Director and the Director of Governance.

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

	<b>2022 No.</b>	<b>2021 No.</b>
The number of key management personnel including the Accounting Officer was:	7	6

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>2022 No.</b>	<b>2021 No.</b>	<b>2022 No.</b>	<b>2021 No.</b>
£5,001 to £10,000 p.a.	1	-	-	-
£10,001 to £15,000 p.a.	-	1	-	-
£70,001 to £75,000 p.a.	1	1	-	-
£75,001 to £80,000 p.a.	2	1	-	-
£85,001 to £90,000 p.a.	1	2	-	-
£90,001 to £95,000 p.a.	1	-	-	-
£145,001 to £150,000 p.a.	1	1	-	-
	<b>7</b>	<b>6</b>	<b>-</b>	<b>-</b>

Key management personnel compensation is made up as follows:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Salaries- gross of salary sacrifice and waived emoluments	563	491
Employers National Insurance	73	62
Benefits in kind	-	-
	<b>636</b>	<b>553</b>
Pension contributions	129	113
Total key management personnel compensation	<b>765</b>	<b>666</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>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	149	147
Benefits in kind	-	-
	<u>149</u>	<u>147</u>
Pension contributions	35	35
	<u>35</u>	<u>35</u>

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 AOC 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>2022</b>	<b>2021</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	4.97	4.99

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

	<b>2022</b>	<b>2021</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>2022 College £'000</b>	<b>2021 College £'000</b>
Teaching costs	3,840	3,135
Non-teaching costs	4,361	3,829
Premises costs	3,409	2,098
<b>Total</b>	<b><u>11,610</u></b>	<b><u>9,062</u></b>

<b>Other operating expenses include:</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Auditors' remuneration:		
Financial statements audit	30	21
Internal audit	16	8
Other services provided by the financial statements auditor	2	-

<b>8a Access and participation spending</b>	<b>2022 College £'000</b>	<b>2021 College £'000</b>
Access investment	58	78
Financial support to student	0	0
Disability support	0	0
Research and evaluation (relating to access & participation)	0	0
<b>Total</b>	<b><u>58</u></b>	<b><u>78</u></b>

**9 Interest and other finance costs – College**

	<b>2022 £'000</b>	<b>2021 £'000</b>
On bank loans, overdrafts and other loans:	129	121
	<u>129</u>	<u>121</u>
Net interest on defined pension liability (note 20)	321	323
	<u>321</u>	<u>323</u>

**Total**

**450**

**444**

## 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 2021	66,189	1,691	4,125	3,776	75,781
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Additions	-	-	114	489	603
Disposals	-	-	-	-	-
<b>At 31 July 2022</b>	<b>66,190</b>	<b>1,691</b>	<b>4,239</b>	<b>4,265</b>	<b>76,385</b>
<b>Depreciation</b>					
At 1 August 2020	15,759	-	3,184	-	18,943
Charge for the year	1,351	-	263	-	1,615
Elimination in respect of disposals	-	-	-	-	-
<b>At 31 July 2022</b>	<b>17,110</b>	<b>-</b>	<b>3,448</b>	<b>-</b>	<b>20,588</b>
<b>Net book value at 31 July 2022</b>	<b>49,080</b>	<b>1,691</b>	<b>791</b>	<b>4,265</b>	<b>55,827</b>
Net book value at 31 July 2021	50,342	1,691	940	3,776	56,838

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 2022 £'000	College 2021 £'000
Amounts falling due within one year:		
Trade receivables	562	318
Other Debtors	24	6
Prepayments and accrued income	326	438
Amounts owed by the ESFA	505	550
<b>Total</b>	<b><u>1,417</u></b>	<b><u>1,312</u></b>

## 13 Creditors: amounts falling due within one year

	College 2022 £'000	College 2021 £'000
Bank loans and overdrafts	570	570
Trade payables	2,070	2,670
Other taxation and social security	754	577
Accruals and deferred income	1,624	1,741
Deferred income - government capital grants	528	504
Payments received in advance	894	980
Other Creditors	146	-
<b>Total</b>	<b><u>6,849</u></b>	<b><u>7,546</u></b>

#### 14 Creditors: amounts falling due after one year

	College 2022 £'000	College 2021 £'000
Bank loans	3,752	4,383
Deferred income - government capital	15,615	15,814
<b>Total</b>	<b><u>19,367</u></b>	<b><u>20,197</u></b>

#### 15 Maturity of debt

##### (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	College 2022 £'000	College 2021 £'000
In one year or less	570	570
Between one and two years	570	370
Between two and five years	3,182	1,708
In five years or more	-	2,105
<b>Total</b>	<b><u>4,321</u></b>	<b><u>4,953</u></b>

#### 16 Provisions

	Defined benefit obligations £'000	Restructuring £'000	Enhanced pensions £'000	Total £'000
At 1 August 2021	19,038	-	269	19,307
Expenditure in the period	2,427	-	-	2,427
Additions in period	(21,465)	-	(52)	(21,517)
<b>At 31 July 2022</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>217</u></b>	<b><u>217</u></b>

The principal assumptions for this calculation are:

	2022	2021
Price inflation	2.9%	2.6%
Discount rate	3.3%	1.6%

<b>17 Cash and equivalents</b>	<b>At 1 August 2021</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>At 31 July 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	10,152	1,268	-	11,420
<b>Total</b>	<b><u>10,152</u></b>	<b><u>1,268</u></b>	<b><u>-</u></b>	<b><u>11,420</u></b>

## **18 Capital and other commitments**

	<b>Group and College 2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 July	<u>-</u>	<u>209</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>2022</b> £'000	<b>2021</b> £'000
Teachers' Pension Scheme: contribution	2,123	1,980
Local Government Pension Scheme:		
Contributions paid	1,290	1,208
Other pension adjustments	-	-
FRS 102 charge	2,206	1,615
Charge to the Statement of Comprehensive Income	3,496	2,823
Enhanced pension charge to Statement of Comprehensive Income	(52)	2
Total Pension Cost for Year within staff costs	5,567	4,805

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is unfunded 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' pensions account with a real rate of return assuming funds are invested in notional investments that produce the 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 2021-22 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 £2,896,182 (2021: £2,700,749)

### **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 2022 were £1,658,195 of which employer's contributions totalled £1,290,914 and employees' contributions totalled £367,281. The agreed contribution rates for future years are 21.7% 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 2022 by a qualified independent actuary.

	<b>At 31 July 2022</b>	<b>At 31 July 2021</b>
Rate of increase in salaries	3.5%	3.6%
Future pensions increases	2.75%	2.85%
Discount rate for scheme liabilities	3.5%	1.6%
Inflation assumption (CPI)	2.75%	2.85%
Commutation of pensions to lump sums (pre April)	55%	55%
Commutation of pensions to lump sums (post April)	60%	60%

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



	<b>At 31 July 2022</b>	<b>At 31 July 2021</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	20.3	20.5
Females	23.2	23.3
<i>Retiring in 20 years</i>		
Males	21.6	21.9
Females	25.1	25.3

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

	<b>Long- term rate of return expected at 31 July 2022</b>	<b>Fair Value at 31 July 2022 £'000</b>	<b>Long- term rate of return expected at 31 July 2021</b>	<b>Fair Value at 31 July 2021 £'000</b>
Equity instruments	6.5%	44,618	2.7%	53,151
Debt instruments	6.5%	8,530	2.7%	11,299
Property	6.5%	5,905	2.7%	4,492
Cash	6.5%	6,561	2.7%	5,989
<b>Total fair value of plan assets</b>		<b><u>65,614</u></b>		<b><u>74,860</u></b>
<b>Weighted average expected long term rate of return</b>	<b>6.5%</b>			

**Actual return on plan assets****1,430****12,456**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	76,290	74,860
Present value of plan liabilities	(76,290)	(93,898)
<b>Net pensions (liability)/asset</b>	<b>-</b>	<b>(19,038)</b>

**Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:**

	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Amounts included in staff costs</b>		
Current service cost	3,365	2,823
Past service cost	35	-
<b>Total</b>	<b>3,400</b>	<b>2,823</b>
<b>Amounts included in investment income</b>		
Net interest income	321	323
	<b>321</b>	<b>323</b>

**Amount recognised in Other Comprehensive Income**

Return on pension plan assets	660	12,026
Experience losses arising on defined benefit	-	-
Changes in assumptions underlying the present value of plan liabilities	20,805	(6,855)
<b>Amount recognised in Other Comprehensive Income</b>	<b>21,465</b>	<b>5,171</b>

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

	<b>2022 £'000</b>	<b>2021 £'000</b>
Net defined benefit (liability)/asset in scheme at 1 August	(19,038)	(22,271)
Movement in year:		
Current service cost	(3,365)	(2,823)
Employer contributions	1,294	1,208
Past service cost	(35)	-
Net interest on the defined (liability)/asset	(321)	(323)
Actuarial gain or loss	21,465	5,171
<b>Net defined benefit (liability)/asset at 31 July</b>	<b>-</b>	<b>(19,038)</b>

**Asset and Liability Reconciliation**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	93,898	84,675
Current service cost	3,365	2,823
Interest cost	1,515	1,193
Contributions by Scheme participants	367	339
Experience gains and losses on defined benefit	-	-
Changes in financial assumptions	(20,805)	6,855
Estimated benefits paid	(2,085)	(1,987)
Past Service cost	35	-
Curtailments and settlements	-	-
<b>Defined benefit obligations at end of period</b>	<b>76,290</b>	<b>93,898</b>
<b>Changes in fair value of plan assets</b>		
<b>Fair value of plan assets at start of period</b>	74,860	62,404
Interest on plan assets	1,194	870
Return on plan assets	660	12,026
Employer contributions	1,294	1,208
Contributions by Scheme participants	367	339
Estimated benefits paid	(2,085)	(1,987)
<b>Fair value of plan assets at end of period</b>	<b>76,290</b>	<b>74,860</b>

The pension valuation has decreased in the year, and the actuarial valuation at 31st July 2022 reports a net asset position of £10.7m. However, this net asset position has not been recognized on the balance sheet as the creation of such an asset for accounting purposes does not give legal right thereto.

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 (2021: £nil).

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2021: £nil).

## 22 Amounts disbursed as agent Learner support funds

	2022 £'000	2021 £'000
Funding body grants - hardship	1,155	1,114
Funding body grants – Childcare	69	14
Other funding body grants	346	191
	<hr/> 1,570	<hr/> 1,319
Disbursed to students	(1,034)	(886)
Administration costs	(36)	(34)
	<hr/> 500	<hr/> 399
Balance unspent as at 31 July, included in creditors		

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.