

SECURING OUR FUTURE

Report and Financial Statements for the year ended 31 July 2023



Bringing talent to life...

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Key Management Personnel, Board of Governors and Professional advisers

Corporation

J Sharma CBE DL (Accounting Officer)
 P Averis
 C Bosworth (Vice Chair)
 J Dhillon (term of office expired 09.07.2023)
 J Haywood (resigned 25.05.2023)
 S Jarvis (student – resigned 07.07.2023)
 K Klimczyk (student – resigned 07.07.2023)
 H Lodge
 M Mahoney
 A McGowan (staff) (term of office expired 16.03.2023)
 S Pedley-Smith
 T Sadla
 R Sahota
 R Simmonds
 N Tomkys
 N Tanyanyiwa (appointed 23.05.2023)
 G Ward
 G Welborn (staff – appointed 28.03.2023)
 D Wheeler (Chair – appointed 20.10.2022)

Clerk/Company Secretary

Alison Buick until 14/04/2023, Lesley Venables (Consultant) acted as interim Head of Governance from 01/05/2023

Executive team

Jatinder Sharma	Principal and CEO; Accounting Officer
James Norris	Assistant Principal – Commercial Development
Richard Brenan	Assistant Principal – Curriculum
David Turner	Assistant Principal – Quality & HE
Matthew Brown	Director of Finance & MIS
Deb Rajania	Director of Operations & Resource

Principal and Registered Office

Wisemore Campus, Walsall WS2 8EQ

Professional advisors

Financial statements and reporting accountants:

Beever and Struthers, One Express, 1
George Leigh Street, Manchester, M4 5DL

Internal auditor:

RSM UK, St Philips Point, Temple Row,
Birmingham, B2 5AF

Funding Assurance Provider:

KPMG

Banker:

Barclays Bank plc., PO Box 3333, One
Snowhill, Snow Hill Queensway,
Birmingham, B3 2WN.

Solicitors:

Pinsent Masons, 3 Colmore Circus
Birmingham B4 6BH

Enoch Evans LLP, St Paul's Chambers, 6-9
Hatherton Road, Walsall, WS1 1XS

Eversheds Sutherland (international) LLP,
One Wood Street, London, EC2V 7WS

VAT Advisor:

Davies Mayers Tax Advisors LLP, Pillar
House, 113/115 Bath Road, Cheltenham,
GL53 7LS

Strategic Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGY

The governing body present their annual report together with the financial statements and auditor's report for Walsall College for the year ended 31 July 2023.

Legal status

The corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Walsall College. The college is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The corporation was incorporated as Walsall College of Arts and Technology. On 1 October 2001, the Secretary of State granted consent to the Corporation to change the College's name to Walsall College.

Mission, Vision, Strategy and Objectives

Mission

Walsall College's mission statement is as follows:

Walsall College is uniquely and proudly vocational, delivering technical, professional and community education. Our greatest passion is unleashing the potential of individuals, communities and businesses; our greatest legacy is the talent of our students: skilled, professional and enterprising.


Implementation of strategic plan


The College adopted a new Strategic Plan for the period 2021 through 2024. In the strategic plan the Colleges key objectives are articulated in the form of seven pledges:

- **Pledge 1:** Work with an employer and business connection in every curriculum area to endorse and enhance the provision and provide a line of sight to work
- **Pledge 2:** Build a culture that celebrates and prioritises excellence and innovation in Teaching, Learning and Assessment
- **Pledge 3:** Develop the maths, English and digital skills of all our students in order to prepare them for the world of work by embedding skills seamlessly into every programme.
- **Pledge 4:** Become a truly innovative digital college
- **Pledge 5:** Proactively engage to upskill the regional workforce by helping people learn throughout their lives.

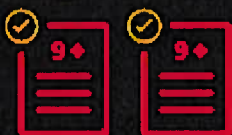
- **Pledge 6:** Create a high quality and seamless experience for all stakeholders, which is sustainable and accelerates the way to a greener future.
- **Pledge 7:** Promote rapid progression between levels and settings with an aim to increase numbers at Levels 3, 4 and 5.


What we will achieve by 2024

Self-assess as an **'OUTSTANDING' COLLEGE** 

 **EMPLOYER ACADEMY**
In every curriculum area


☆☆ Placement in the **TOP QUARTILE** on all national comparators (MIDES) for **MATHS & ENGLISH**


Increase GCSE Maths and English high grade results by **5%** 


Achieve all our **FUNDING** Contracts 


☆☆☆☆ Win national recognition for **EXCELLENCE** in teaching, learning and assessment.

Increase the value of our **APPRENTICESHIP PROVISION TO £6.5 M**

Microsoft Certified Educator **DIGITAL SKILLS** 
achieved by all staff.

INCREASED STUDENT NUMBERS 
at Levels 3, 4 and 5.

25% 
more students progressing from Levels 1, 2 and 3.

Achieve the College's **NET ZERO** 
Carbon reduction goal.

The College's key performance indicators and Objectives for 2022/23 included:

Whilst the majority of the operational affects of the Covid -19 pandemic had passed by the start of the 2022/23 academic year the impact on the mental health of students was still present and continued to impact on attendance and behaviour which put strain on the organisation and was a contributory factor in the lower student numbers as many 16 year olds opted to continue their education in a school setting. Student satisfaction levels remained positive despite some disruption.

KPIs

Key Performance Indicator	Actual for 2022/23	Target 2022/23
Student Number		
Classroom Based Young People (16-18)	3,778	3,929
Classroom Based Adults (enrolments)	7,748	7,794
High Needs Students	172	171
Apprentices	1,934	2,250
Higher Education Students	183	274
Total Students (excl. duplicate categories above)	13,643	14,418
Quality of Education		
Achievement Young People Vocational (ProAchieve)	81.5%	89.0%
Achievement Adults Vocational (ProAchieve)	93.3%	89.0%
Achievement Apprentices (ProAchieve)	51.1%	67.0%
Achievement High Needs Funded (ProAchieve)	86.2%	89.0%
Achievement Higher Education (ProAchieve)	75.6%	90.0%
Satisfaction (Higher Education)	86.6%	90.0%
Satisfaction (Induction)	97.2%	90.0%
Satisfaction (Teaching & Learning)	95.0%	90.0%
Satisfaction (Apprentices)	94.2%	90.0%
Ofsted rating	Good	Good
Financial Health Score	210	230
Staff Sickness	3.63%	2.75%

In January 2023 the corporation approved a revision to the College budget to incorporate a 5% salary uplift. Overall the revised budget in terms of bottom line deficit (EBITDA Surplus) was achieved but overall income was lower than planned across most areas of post 19 provision. The College delivered its planned capital investment program and finished the year with a financial health score of Good (210 points) in line with plan.

The College continued to successfully deliver the new T-Level programmes, although enrolments were below target. However there were some excellent results and good feedback from learners.

The College has managed its assets, ensured its students achieve and continue to positive destinations.

Financial Objectives

The College's financial objectives are to remain financially sound and improve financial returns in terms of reserves and liquidity so as to protect itself from unforeseen adverse changes in enrolments and generate sufficient income to enable continued improvements to its accommodation, equipment and the resources made available to learners.

Resources

The college employs 754 people, of whom 391 are teaching staff.

The college enrolled approximately 14,000 students with the student population consisting of 3,778 16-to-18-year-old learners, 1,934 apprentices, 183 higher education students, and 7,748 adult learners.

The college has £59.4 million (2022: £44.5 million) of net assets including £zero pension liability (2022: liability of £15.1 million) and long-term debt of £4.4 million (2022: £4.7 million).

Tangible resources include the main college site, and 4 local campus' held on a Freehold or Long Term Leasehold basis. During 2022/23 the college has invested in expanding it's campus' at Wisemore and Green Lane through the purchase of land to link Wisemore and Portland Street and a significant extension at Green Lane. As of the balance sheet date the extension at Green Lane was still in progress with an expected practical completion date of November 2023.

At the balance sheet date the College has total cash balances of £14.2 million (2022: £18.1 million), of which £9.5m was held on short term deposit with Barclays bank.

The college has a good reputation locally and nationally. In its last Ofsted inspection in 2020, it was rated Good. The College is a registered provider with the Office for Students.

Stakeholders

The college has many stakeholders including:

- its current, future and past students.
- its staff and their trade unions. The senior management team are named on page 3. The trade unions of which Walsall College staff are members are the University and College Union, National Education Union and Unison.
- the College works with many employers across the region to provide both training for their staff and apprentices and to provide work experience for learners on other programs. These relationships with employers such as Balfour Beauty are critical to the successful delivery of T-Levels.
- its partner schools and universities, namely Staffordshire University, BCU and University of Worcester.

- The College is a significant provider of Community Learning across Walsall particularly in the Birchalls & Leamore areas of the borough.
- Walsall Council, West Midlands Combined Authority and The Black Country Local Enterprise Partnership

Whilst no individual stakeholder alone is critical to the College achieving its objectives, maintaining open and collaborative relationships with our stakeholders focusing on both the wider public good and economic health of the region is essential for overall success.

Public benefit

Walsall 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 Body, who are trustees of the charity, are disclosed on pages 20-21. In setting and reviewing the college's strategic objectives, the Governing Body 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 approximately 14,000 students, including 183 students who attract high needs funding. The college provides courses without charge to young people, to those who are unemployed or low waged and adults taking English and maths course along with the new digital entitlement. The college adjusts its courses to meet the needs of local employers and provides training to nearly 2,000 apprentices.

The College's size, history and hard earned reserves from prudent management allows for the undertaking of a number of activities that meet educational and skills need but where funding or outcome is uncertain in the short term.

The college is committed to providing information, advice and guidance to the learners it enrolls and to finding suitable courses for as many students as possible regardless of their educational background or level of aspiration.

DEVELOPMENT AND PERFORMANCE

Financial Results

The College generated a deficit before other gains and losses of £1,773k (2022: deficit of £2,350k). The improvement in performance from the prior year was mainly due to a reduction in the FRS102 pension service charge relating to the Local Government Pension Scheme, arising from a more favourable actuarial valuation. The charge is included in staff costs in the financial statements.

The decrease in the pension scheme liability has resulted in a total comprehensive surplus for the year of £14.9m (2022: £30.1m surplus). By far the biggest single reason for the decrease is the increase in the discount rate over the period from 3.50% p.a. to 5.05% p.a.

At the balance sheet date the college held net current assets of £4.2m (2022: £9.4m) and net assets of £59.4m (2022: £44.5m). The reduction in net current assets is due to significant investment in the expansion of the college estate.

The largest single influence on the 2022/23 financial results is the charges and liabilities of the Local Government Pension Scheme (LGPS). Over recent year, in 2019/20 the LGPS liabilities increased significantly, mainly due to the assets of the scheme being valued at 31 March 2020, just as equity markets suffered a severe contraction. Much of the reduction in value reversed in 2020/21 with a significant improvement in the value of the scheme assets and a corresponding decrease in the value of the LGPS liability. An increase in the discount factor used for the 2021/22 valuation saw the liabilities of the scheme decrease significantly, with this continuing again in 2022/23 with a gain which has seen the value of the scheme swing from liability to asset in the current year. However, in line with financial reporting standards (FRS 102) the LGPS scheme has not been presented as an Asset, but instead is given a zero valuation in the accounts.

Cash flows and liquidity

At £3.3 million (2022: £4.5 million), net cash inflow from operating activities remains strong. The decrease from the prior year is due to the impact of inflationary pressures on staff and non staff costs.

The College has invested £6.9m in the expansion and improvement of its estate, and accordingly the College's overall cash and cash equivalents, including sums on deposit decreased by £3.9 million, from £18.1 million at 31 July 2022 to £14.2 million at 31 July 2023.

Developments

The college's annual investment plan involved tangible fixed asset additions during the year amounting to £7,912,000. This was split between land and buildings of £1,792,000 and equipment purchased of £1,966,000. The College also had assets in the course of construction that had been valued at £4,154,000 at the balance sheet date.

During the year the college has developed its estate to provide larger and better teaching accommodation at its construction delivery site in Kings Norton and purchased a parcel of land so that the Portland Street site can be accessed from the Wisemore site, giving a greater sense of belonging and access to facilities for our students. We have also commenced the building of a significant extension to our Green Lane site which is due for completion in November 2023 and will provide more workshop and teaching space to accommodate the increasing numbers of students enrolling for our construction courses.

The college has received £300k from the LEP and £1,314k from the Town Investment Fund to support these projects.

Sources of income

The college has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23, the ESFA/Combined Authority provided 87.5% of the college's total income.

The College's Commercial Activities are relatively minor representing just 3% of income. Whilst these activities fall under the Commercial description in reality they form a key part of the vibrant College environment for both staff and students and remain in long term plans on this basis.

Group companies

The college has one subsidiary company Broadway Training Limited, which didn't trade during 2022/23.

FUTURE PROSPECTS

Future developments

The College was reflected very positively in its latest Ofsted Report (March 2020) Grade 2 Good. The Board, Management and Staff are driven by excellence in teaching and learning and are committed to a swift improvement journey to return to Outstanding at next inspection. This overarching objective is the key focus of the Colleges strategic plan for 2021-2024.

The demographics in the area are for low level growth in 16-18 student numbers over the next few years and despite increasing competition from other Colleges remains confident that student numbers will continue to increase year on year. This will be underpinned by the Colleges dynamic curriculum based around the Governments flagship T-Level qualifications and our strong links with employers in the Black Country and wider West Midlands.

The College works closely with the West Midlands Combined Authority (WMCA) to ensure our Adult Education Budget and Community Learning Offers are closely aligned with the regional strategy for skills and jobs. The College is focused in ensuring that this agreed provision not only meets the needs of WMCA but also recognised the more local needs of Walsall which can diverge from those of the wider region as a whole for certain groups of the community.

Financial plan

In light of the economic downturn, inflationary pressures and declining student numbers in 2021/22 the corporation agreed to suspend the existing strategic target of EBITDA exceeding 10% by July 2025 and set revised financial objectives.

The Corporation approved a financial plan in July 2023 which sets objectives for the year to July 2024 and considered the direction of travel for the following two years. The college aims to maintain a health rating of Good although has budgeted a deficit (£1,527k) on a management

accounting basis predominantly driven by inflationary pressures and reduced 16-18 allocation in 2022/23. The budget compares to the revised financial objectives:

Objective	2023/24 Budget	Variance
EBITDA > 5%	4.26%	(0.74%)
Staff Cost as % Income < 69.5%	70.53%	1.03%
Average Class Size > 17	>17	-
Invest £1.5m in resources	£1.5m	-
Financial Health - Outstanding	Good	-

The plan aims to deliver the Colleges long term financial security. Education specific EBITDA at circa 4.26% next year is lower than expected a year ago due to inflation and reduced contract allocations. Net cash inflow from operating activities is planned to be circa £1.9m, however with the increased annual capital investment plan of £1.5m and the Green Lane expansion still in flight the college expects to have an overall cash outflow in the region of £2m in 2023/24.

Treasury policies and objectives

The college has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Term deposits of up to 12 months are used with High Street UK Banks to generate returns on reserves which are seen as the best balance of flexibility, ease of processing and return vs risk.

Short term borrowing for temporary revenue purposes if needed is authorised by the Accounting Officer. All other borrowing requires the authorisation of the corporation. The college is not expecting to require or utilise any short term borrowing in its current financial plans.

Reserves

The college has no formal reserves policy, but recognises the importance of reserves in the financial stability of an organisation, and ensures there are adequate reserves to support the College's core activities. The College currently holds £65,000 in restricted reserves in relation to endowment funds and £170,000 in the revaluation reserve with the remaining £59,193,000 in the income and expenditure account (2021/22: £44,269,000). It remains the Corporation's intention to generate net positive cash inflow from operating activities in order to fund re-investment back into the College for the benefit of students, staff and the local community.

PRINCIPAL RISKS AND UNCERTAINTIES

The ongoing effects of the Covid-19 pandemic remain evident on our learners with again an all time high number of safeguarding cases and concerns amongst our learners. This not only puts a strain on the Colleges resources but also often poses yet a further barrier to the continuation of the learners progress and development. The return to formal exams was challenging for many of the Colleges 16-18 year old learners many who would have been sitting them for the first time. This was a contributory factor in disappointing results for GCSE higher grades particularly in Maths.

With the move away from teacher assessed grades to formal examinations, the college has experienced a significant, although not unexpected, increase in the number of students enrolling without a grade 4 or above in English and maths. The College welcomes the resources provided by the Tuition Fund to help support learners through additional small group teaching throughout the year with our 2023/4 plan focusing initially in those learners who were close to a higher grade to fast track them for the November 2023 resits.

The significant programme of change in vocational education with defunding of many Btecs being proposed and enacted by successive governments is well underway and the College feels well placed for the mutli-stage transition. Alongside being an early adopter of T-Levels with very high achievement from the first Cohort the College has remodelled its study programmes to include A-Level components to off-set the defunding of the larger BTecs whilst continuing to meet learner and employer demand. The College continues to recognise the risk of the pace of change in this area, particulalry the need to continue to be more focused on employment outcomes than with more traditional provision alongside the new Ofsted skills judgement and development of Local Skills Improvement Plans.

The College has updated and reformed its 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 body 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 covering both strategic and operational risks which is reviewed termly at each meeting of the Audit Committee and annually by the College Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the college along with the mitigations (where practicable), controls and assurances that they are in hand. Risks are prioritised using a consistent scoring system. This is supported by a Risk Management training programme to raise awareness of risk throughout the college.

The Corporation alongside management have recently completed a risk appetite exercise which is currently being worked into risk assessments to further strengthen the holisitic risk management approach.

The main risk factors affecting the college are outlined below. Not all the factors are within the college's control. Other factors besides those listed below may also adversely affect the college.

- Inflation in both pay and non-pay costs especially energy costs.
- Achieving the improvements needed to teaching and learning to re-gain Ofsted Grade 1 "Outstanding"
- To support the Safeguarding and Wellbeing of both our staff and our students
- Our ability to deliver rapid training and skills interventions to support employers and job seekers following the pandemic.

Student achievements

Achievement rates are shown in the KPI section above and show an improvement on 2021/22 in most areas. Achievement rates in HE and Apprenticeships are proving to be the most challenging and are likely to be systematic of the challenges faced by adult learners and employers in the current economic environment.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The College's policy is to pay suppliers on the next purchase ledger run after the debt became due.

EQUALITY AND DIVERSITY

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 which 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 Report and Equality Objectives 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 and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The college is a 'Positive about Disabled' employer and has 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.

Disability statement –

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

We recognise that it covers a broad spectrum of requirements, including:

- Sensory impairment
- Restrictions to mobility
- Mental ill-health
- Long-term debilitating illnesses

Learners with learning difficulties and/or disabilities are well supported and thrive at Walsall College. We are committed to the development of new and better opportunities for disabled people and aim to develop both practice and delivery options to ensure their success. We operate a social disability model, where the College is proactive in removing barriers to participation and success for learners and employees with a learning difficulty or disability. We will assist disabled staff to succeed in their employment at Walsall College.

The College has maintained comprehensive data on the disabilities of learners collected through the enrolment process and has a planned response to their needs. Although opportunities are available for staff to declare disabilities we feel that some may choose not to do so. We will encourage staff to disclose by increasing the opportunities that they have to do so which will enable us to respond more effectively to their needs. We will work to dismantle any barriers to career progression and self-fulfilment for both staff and students.

We will continue to:

- Support staff and students to feel confident to declare any disability or learning difficulty, particularly “hidden” disability issues, such as mental health and developmental disorders through training and awareness raising campaigns.
- Celebrate the success of those students who have overcome disadvantage to succeed in our College.
- Focus support to ensure retention, success and satisfaction remain high for students and staff with disabilities or learning difficulties
- Extend our forum for students with learning difficulties or disabilities to include staff.
- Monitor the impact of our activity in improving the conditions and success of disabled staff and students within the College.
- Where appropriate, enhance learners’ ability to live independently by reducing their dependency on additional learning support.
- Conduct reasonable adjustments for both staff and students where needed.

Support services for learners are widely publicised in student literature, available on the intranet and consolidated during induction. Information is readily available to support learners in raising any concerns concerning their wellbeing or fair treatment.

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 trade union officials during the relevant period	4
FTE employee number	4

Percentage of time	Number of employees
1-50%	4

Total cost of facility time	£150,885
Total pay bill	£29,008,735
Percentage of total bill spent on facility time	0.52%

Time spent on paid trade union activities as a percentage of total paid facility time	5%
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Modern Slavery Act 2015

Slavery and human trafficking are abuses of a person's freedoms and rights. The College is totally opposed to such abuses in our engagements with students and other partners, our indirect operations and our supply chain as a whole.

The College operates exclusively within the United Kingdom. Foreign trips do take place from time to time to explore future avenues of business and the majority of Walsall College activity and students are from the Midlands.

The College takes this issue very seriously and has developed a policy which can be viewed in full on the College Web-Site.

GOING CONCERN

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

The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons.

The Corporation has prepared cash flow forecasts to July 2025 a period of 19 months from the date of approval of these financial statements. After reviewing these forecasts, the Corporation is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of inflation and funding pressures, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

In preparing these forecasts the Corporation has taken the following matters into account:

- The College receives the majority of its funding from national or regional government and is confident in the security of these income streams;
- The College prepared its 2023/24 budget on a prudent basis only including other funding income streams that were contractually secure;
- The College continues to generate cash from a strong operational cash flow which exceeds its annual capital investment requirements
- Non-Cyclical capital investment will only be committed to with due consideration to the long term financial stability of the College
- The College is comfortably within its gearing and free cash flow bank covenants and is projected to remain within these covenants
- The Colleges prudent and responsible financial management over many years leaves it in a position of strength and enough liquidity to adapt its operating model in a timely manner to ensure its going concern.

Consequently, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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

EVENTS AFTER THE REPORTING PERIOD

Nothing material to disclose.

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 30 November 2023 and signed on its behalf on 8th December 2023 by:



David Wheeler

Chair

Statement of Corporate Governance and Internal Control

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 1st August 2022 to 31st July 2023 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the AoC Code of Good Governance. It has not adopted and therefore has not applied the UK Corporate Governance Code 2018. However, the College has reported on its corporate governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that it considers to be relevant to the further education sector.

The College's External Audit and Internal Audit providers have both make recommendations for improvement in key management and internal control processes during the year. Internal audit reviews include periodic reviews of the College's approach to delivering value for money.

The College has processes in place to ensure regularity and propriety in the use of public funding, compliance with funding terms and conditions, and to guard against fraud and bribery. Internal audit reviews include periodic reviews of these processes.

In the opinion of the Governors, the College complies with all the provisions of the Code and has complied with it throughout the year ended 31 July 2023 and up to the date of these financial statements. The Governing Body 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 September 2021, which it formally adopted in Autumn 2021. Whilst not having adopted the UK Corporate Governance Code 2018 the corporation has due regard to its principles and guidance.

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

THE CORPORATION

Members of 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.

	Date of (Re)Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2022/23
P Averis	05.07.2018 05.07.2021	3 years 3 years		External	Board L&Q	67% 100%
C Bosworth	05.07.2018 05.07.2021	3 years		External Vice Chair from 25.11.2021	Board Audit Stu Voice Remun S&GS	67% 67% 0% 33%
J Dhillon	10.07.2014 09.07.2017 10.07.2020	3 years	09.07.2023	External	Board Stu Voice S&GS	67% 100%
J Haywood	22.03.2022	3 years	25.05.2023	External	Board Audit	50% 0%
S Jarvis		1 year	07.07.2023	Student	Board L&Q	67% 20%
K Klimczyk		1 year	07.07.2023	Student	Board	60%
H Lodge	26.11.2020	3 years		External	Boaard L&Q	50% 50%
M Mahoney	21.05.2020 23.05.2023	3 years 3 years		Governor	Board L&Q Remun	83% 60% 0%
A McGowan	17.3.20	3 years	16.03.2023	Staff	Board Stu Voice	100%
S Pedley- Smith	22.10.2015 22.10.2018 22.10.2021	3 years 3 years 3 years		External	Board F&R Remun S&GS	83% 100% 0% 100%
A Sadla	22.03.2022	3 years		External	Board F&R	67% 83%
R Sahota	09.12.2021	3 years		Staff	Board L&Q	67% 80%
J Sharma	09.12.2011	Ex Officio		Principal/ CEO	Board F&R S&GS	100% 100% 100%
R Simmonds	22.03.2022	3 years		External	Board Stu Voice	50%
N Tanyanyiwa	23.05.2023	3 years		External	Board F&R	100% 0%

	Date of (Re)Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2022/23
N Tomkys	19.10.2021 07.07.2022	1 year 3 years	07.07.2022	Associate External	Board Audit	67% 100%
G Ward	19.10.2017 19.10.2020	3 years 3 years		Governor	Board Audit Remun S&GS	67% 100% 0% 67%
G Wellborn	28.03.2023	3 years		Staff	Board	33%
D Wheeler	21.03.2019 21.03.2022 21.03.2025	3 years 3 years 3 years		External Chair from 20.10.2022	Board F&R Remun S&GS	100% 100% 0% 100%

Alison Buick acted as Head of Governance from 1st August 2022 to 30th April 2023. Lesley Venables acted as Interim Head of Governance from 1st May 2023.

The Governance Framework

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

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

The Corporation met 6 times in 2022/2023, all of which were scheduled.

It conducts its business through a number of committees, each of which has terms of reference which have been approved by the Corporation. These committees are:

- Audit
- Finance and Resources
- Learning and Quality
- Remuneration
- Search and Governance Standards
- Student Voice

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.walsallcollege.ac.uk or from the Head of Governance at the College's registered address:

Walsall College
Wisemore Campus
Littleton Street West
Walsall
WS2 8ES

The Head of Governance maintains a register of financial and personal interests of 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 Head of Governance, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Head of Governance are matters for the Corporation as a whole.

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

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Standards Committee, consisting of 6 members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate induction and training is provided to governors as required.

Other than the Principal who is appointed ex officio, members of the Corporation are appointed for a term of office not exceeding three years. In line with the Nolan Committee outcomes, governors can serve for a maximum of 3 terms of office, subject to a review of performance and the recommendation of the Search & Governance Standards Committee.

Corporation Performance

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2023 and no areas of significant weakness were identified. External governors have continued to bring a breadth of relevant corporate knowledge and skills, such as financial management, manufacturing and engineering, as well as a very sharp focus on the priorities of employers.

Training and Development

The Corporation is committed to training and development for all governors and for the Head of Governance. All Governors receive induction sessions on governance, finance and student

services/safeguarding with the appropriate senior managers on appointment. Training needs are considered through a periodic skills audit (last completed in April 2022) and in discussions with individual governors.

Some governors and the Head of Governance have attended a number of external events, such as regional governance conferences, induction and networking events during the year. One of the student governors attended the Unloc Student Governor Induction event. The College also holds termly governor training sessions, at which there are a variety of internal and external speakers. In 2022/2023, topics covered included:

- Property Strategy;
- Fraud;
- Risk Management;
- Curriculum Planning;
- EDI.

In addition, governors are provided with bespoke training on Safeguarding and Prevent at Corporation meetings in year.

The Head of Governance is an experienced, qualified professional, who has supported further education colleges in this capacity for the past 25 years and a broad range of public sector organisations.

The Corporation has considered the DfE guidance on board reviews and has made arrangements for this to take place in the Autumn Term 2023, with the resulting report submitted to the February Corporation meeting.

Remuneration Committee

Throughout the year ending 31 July 2023 the College's Remuneration Committee comprised 5 external governors. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Principal/CEO and the Head of Governance (who are the only senior post holders).

The Corporation adopted the AOC's Senior Staff Remuneration Code at its meeting on 21st March 2019. There is a requirement that the College must publish a readily accessible annual statement based on an annual report to the Governing Body. This annual report was presented to Corporation on 24th November 2022.

Details of remuneration for the year ended 31 July 2023 are set out in note 8 to the financial statements.

Audit Committee

The Audit Committee comprises 4 external members of the Corporation and one associate governor. In line with the ESFA's Post-16 Audit Code of Practice the Chair of the Corporation and the Principal/CEO are ineligible to be members of the Audit Committee. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets on at least a termly basis and provides a forum for reporting by the College's internal, financial statement and funding assurance auditors, who have direct access to the Committee for independent discussion without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The 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. Under a separate engagement, the College's financial statements audit firm delivers a programme of funding assurance.

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

The Audit Committee also advises the Corporation on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

The Audit Committee met 3 times in the year to 31st July 2023. The members of the committee and their attendance records are shown below:

Committee Member	Meetings Attended
C Bosworth	2
J Haywood (resigned July 2023)	0
N Tomkys	3
G Ward (Chair)	3

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between Walsall College and the funding bodies. They are also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is 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 Walsall College for the year ended 31st July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the Corporation 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 on which annual internal audit plans are based. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee.

As a minimum, the internal auditor annually provides the Corporation with a summary report on its activity in the College. The Internal Audit Annual Report includes the auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the corporation

The College has updated and reformed its strategies for managing risk and strives to embed risk management in all that it does.

A risk register is maintained covering both strategic and operational risks which is reviewed termly at each meeting of the Audit Committee and annually by the College Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the college along with the mitigations (where practicable), controls and assurances that they are in hand. Risks are prioritised using a consistent scoring system. This is supported by a Risk Management training programme to raise awareness of risk throughout the college.

The Corporation alongside management have recently completed a risk appetite exercise which is currently being worked into risk assessments to further strengthen the holistic risk management approach.

Control weaknesses identified

The college's internal auditors did not identify any significant control weaknesses or failures in the college's systems during the course of their work throughout the year. The audit committee receive an update on all audit recommendations at each meeting and are satisfied that action taken is sufficient to address control weaknesses.

Responsibilities under funding agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transaction for which DfE approval is required.

Statement from the Audit Committee

The Audit Committee believes and has advised the Board of Governors that the Corporation has an effective framework for governance, risk management and effective internal controls in place. The specific areas of work undertaken by the Audit Committee in 2022/2023 and up to the date of the approval of the financial statements are:

- ESFA Funding Assurance
- Human Resources Controls - Training and Development; Appraisals and Performance Management
- Curriculum Planning & Development
- HE Regulatory Framework
- Safeguarding
- Financial Planning & Budgetary Control
- Cyber Security
- Follow up of 2021/2022 audit recommendations
- Review of the planning and completion of the external audit

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. Their 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 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 senior management 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 senior management 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 Corporation's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2023 meeting, the Corporation carried out the annual assessment for the year ended 31st July 2023 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2023.

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

Approved by order of the members of the Corporation on 30 November 2023 and signed on its behalf on 8th December 2023 by:



David Wheeler
Chair



Jatinder Sharma CBE DL
Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material regularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.



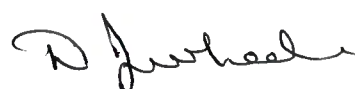
Jatinder Sharma CBE DL

Accounting Officer

8 December 2023

Statement of the chair of governors

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.



David Wheeler

Chair

8 December 2023

Statement of responsibilities of the members of the corporation

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA and any other relevant funding bodies, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases of preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 corporation will continue in operation

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

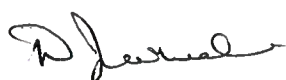
The Corporation is responsible for keeping proper account records which disclose, with reasonable accuracy at any time, the financial position of the corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and 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 its websites; the work carried out by auditors does not involve consideration of these matters and, accordingly, 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 and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, 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 by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. 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 economic, efficient and effective management of the corporation'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 **30 November 2023** and signed on its behalf on 8 December 2023 by:



David Wheeler

Chair

Independent auditor's report to the Corporation of Walsall College

Opinion

We have audited the financial statements of Walsall College (the "College") for the year ended 31 July 2023 which comprise the College statement of comprehensive income, the College balance sheet, the College statement of changes in reserves, the College statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 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 2023 and of the College's 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; and
- have been prepared in accordance with 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency, and the Accounts Direction, for accounting periods beginning on or after 1 August 2019, issued by the Office for Students.

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 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 Report and Financial Statements other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

We are required to report on the following matters by the Office for Students' Accounts Direction. In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2022 to 2023 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;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Further, we are required by the Office for Students' Accounts Direction to report to you if the results of our audit work indicate that the College's expenditure on access and participation activities for the financial year disclosed in Note 9 has been materially misstated.

We are also required by the Office for Students' Accounts Direction to report to you where the results of our audit work indicate that the College's grant and fee income, as disclosed in Note 3 to the financial statements has been materially misstated.

We have nothing to report in these respects.

Responsibilities of the Corporation of Walsall College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 27, 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the College operate in and how the College is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, and Regulatory Advice 9: Accounts Direction published by the Office for Students'. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The College is also subject to many other laws and regulations where the consequences of non-compliance could have a material impact on amounts or disclosures in the financial statements, including Further and Higher Education Act 1992, Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. We performed audit procedures to inquire of management and those charged with governance whether the College is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and inspecting funding agreements and allocations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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 the Education and Skills Funding Agency and our engagement letter

dated 8 September 2023. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged 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.

Beever and Struthers

For and on behalf of
BEEVER AND STRUTHERS
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 08 December 2023

Reporting Accountant's Report on Regularity to the Corporation of Walsall College and the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 8 September 2023 and further to the requirements and conditions of funding in 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 Walsall College during the period 1 August 2022 to 31 July 2023 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 or devolved authority has other assurance arrangements in place.

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

Respective responsibilities of Walsall College and the reporting accountant

The Corporation of Walsall 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 which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the 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 2022 to 31 July 2023 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 college's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the Corporation;
- 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 a sample of transactions with related parties;
- Confirming through enquiry and sample testing that the Corporation 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.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Beever and Struthers

Signed:

For and on behalf of
BEEVER AND STRUTHERS
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 08 December 2023

Walsall College

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2023	Year ended 31 July 2022
		£'000	£'000
INCOME			
Funding body grants	2	39,025	37,376
Tuition fees and education contracts	3	2,361	2,831
Other grants and contracts	4	1,300	1,787
Other income	5	1,458	1,139
Investment income	6	458	52
Total Income		44,602	43,185
EXPENDITURE			
Staff costs	8	30,817	32,604
Other operating expenses	9	11,464	9,938
Depreciation	12	3,266	2,894
Interest and other finance costs	10	828	99
Total Expenditure		46,375	45,535
Deficit before other gains and losses		(1,773)	(2,350)
Profit on disposal of assets	12	-	-
Deficit before tax		(1,773)	(2,350)
Taxation	11	-	-
Deficit for the year		(1,773)	(2,350)
(Depreciation)/appreciation of endowment asset investments		(1)	(2)
Actuarial gain in respect of pensions schemes	25	16,690	32,545
Total Comprehensive Income for the year		14,916	30,193
Represented by:			
Restricted comprehensive income & expenditure		-	-
Unrestricted comprehensive income & expenditure		14,916	30,193
		14,916	30,193

All items of income and expenditure relate to continuing activities.

Walsall College

Statement of Changes in Reserves

	Income and Expenditure Account £'000	Revaluation Reserve £'000	Restricted Endowment £'000	Total £'000
Balance at 1 August 2021	14,067	184	68	14,319
Deficit from the income and expenditure account	(2,350)	-	(2)	(2,352)
Other comprehensive income	32,545	-	-	32,545
Transfers between revaluation and income and expenditure reserves	7	(7)	-	-
Total Comprehensive Income	30,202	(7)	(2)	30,193
Balance at 31 July 2022	44,269	177	66	44,512
Deficit from the income and expenditure account	(1,773)		(1)	(1,774)
Other comprehensive income	16,690			16,690
Transfers between revaluation and income and expenditure reserves	7	(7)		-
Total Comprehensive Income	14,924	(7)	(1)	14,916
Balance at 31 July 2023	59,193	170	65	59,428

Walsall College

Balance sheet as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Tangible Fixed assets	12	59,685	55,039
		59,685	55,039
Current assets			
Trade and other receivables	14	1,721	1,246
Investments	15	8,014	6,015
Cash and cash equivalents	20	6,193	12,070
		15,928	19,331
Creditors – amounts falling due within one year	16	(11,677)	(9,918)
Net current assets		4,251	9,413
Total assets less current liabilities		63,936	64,452
Creditors – amounts falling due after more than one year	17	(4,400)	(4,668)
Provisions			
Defined benefit obligations	19	-	(15,130)
Other provisions	19	(108)	(142)
Total net assets		59,428	44,512
Restricted reserves			
Expendable Endowments		65	66
Unrestricted Reserves			
Income and expenditure account		59,193	44,269
Revaluation reserve		170	177
Total unrestricted reserves		59,363	44,446
Total reserves		59,428	44,512

The financial statements on pages 38 to 71 were approved and authorised for issue by the corporation on 30 November 2023 and were signed on its behalf on 8 December 2023 by:


David Wheeler
 Chair

Jatinder Sharma CBE DL
 Accounting Officer



Walsall College

Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Deficit for the year		(1,773)	(2,350)
Adjustment for non-cash items			
Depreciation		3,266	2,894
(Increase)/decrease in debtors		(260)	(69)
Increase/(decrease) in creditors due within one year		242	(61)
Increase/(decrease) in creditors due after one year		-	-
Increase/(decrease) in provisions		(34)	(33)
Increase in endowments		-	-
Pensions costs less contributions payable		1,560	4,042
Adjustment for investing or financing activities			
Investment income		(458)	(52)
Interest payable		828	99
Net cash flow from operating activities		3,371	4,470
Cash flows from investing activities			
Investment income		243	33
Placement of deposits		(2,000)	(6,000)
Payment made to acquire intangible asset		-	-
Payments made to acquire fixed assets		(6,958)	(2,204)
		(8,715)	(8,171)
Cash flows from financing activities			
Interest paid		(281)	(301)
Lennartz refund		-	921
Repayments of amounts borrowed		(252)	(240)
		(533)	380
(Decrease)/Increase in cash and cash equivalents in		(5,877)	(3,321)
Cash and cash equivalents at beginning of the year	20	12,070	15,391
Cash and cash equivalents at end of the year	20	6,193	12,070

Walsall College

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023 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 use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of Consolidation

In accordance with FRS 102, the activities of the student union have not been consolidated because the college does not control those activities.

Going concern

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

The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons.

The Corporation has prepared cash flow forecasts for a period of 19 months from the date of approval of these financial statements. After reviewing these forecasts, the Corporation is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of the rise in inflation, interest rates and fuel costs, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Notes (continued)

1 Statement of accounting policies and estimation techniques (continued)

In preparing these forecasts the Corporation has taken the following matters into account:

- The College receives the majority of its funding from national or regional government and is confident in the security of these income streams;
- The College prepared its 2023/24 budget on a prudent basis only including other funding income streams that were contractually secure;
- The College continues to generate cash from a strong operational cash flow which exceeds its annual capital investment requirements;
- Non-Cyclical capital investment will only be committed to with due consideration to the long term financial stability of the College;
- The College is comfortably within its gearing and free cash flow bank covenants and is projected to remain within these covenants for the foreseeable future; and
- The Colleges prudent and responsible financial management over many years leaves it in a position of strength and enough liquidity to adapt its operating model in a timely manner to ensure its going concern.

Consequently, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Recognition of income

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 or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

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.

Government and other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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. 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 and any other arrangements. 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.

Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. 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.

Notes (*continued*)

1 Statement of accounting policies and estimation techniques (*continued*)

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.

Intangible Assets

A non-monetary asset without physical substance, such as goodwill, shall be recognised as an asset when there is expected future economic benefit to the College and the cost or value of the asset can be measured reliably.

Such assets shall be amortised on a straight line basis over their expected useful life. In the case of goodwill, where the College is unable to make a reliable estimate of the useful life then this shall not exceed 10 years.

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 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account on an annual basis.

Notes *(continued)***1 Statement of accounting policies and estimation techniques** *(continued)*

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- | | |
|------------------------------------|---|
| • Buildings | up to a maximum of 50 years |
| • Extensions to existing buildings | the remainder of the useful life of the main building |
| • Refurbishments | 10 years |

Land is not depreciated.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, certain of which were revalued in 1994, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

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 £1,000 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:

- | | |
|--|---------------|
| • motor vehicles and general equipment | 4 years |
| • computer equipment | 2 to 4 years |
| • furniture, fixtures and fittings | 5 to 10 years |

Notes *(continued)***1 Statement of accounting policies and estimation techniques** *(continued)***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. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

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 a finance lease obligation.

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.

Investments***Investments in subsidiaries***

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Other investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Notes *(continued)***1 Statement of accounting policies and estimation techniques** *(continued)***Stock**

Stock is stated at the lower of their cost and net realisable value, being selling price less costs 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 College 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 Group 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.

Notes *(continued)***1 Statement of accounting policies and estimation techniques** *(continued)*

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1.72% 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 there are indicators of impairment of the College's tangible assets. 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.

Notes *(continued)*

- *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 the pensions include the discount rate.

Any changes in these assumptions, which are disclosed in note 25, 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 2022 to value the pensions liability at 31 July 2023. 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.

2 Funding Body Grants	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Recurrent Grants		
Education and Skills Funding Agency/Combined Authority – Adult Education	8,542	7,996
Education and Skills Funding Agency – 16-18	23,834	21,897
Education and Skills Funding Agency – Apprenticeship	4,006	4,396
Office for Students	99	2
Specific Grants		
Teacher Pension Scheme contribution grant	874	689
Education and Skills Funding Agency	345	599
Releases of government capital grants	969	1,417
HE capital grant release	17	5
Specific Grants – Coronavirus additional funding		
16-19 Tuition Fund	339	358
Covid 19 Mass Testing funding	-	17
Total	39,025	37,376

3 Tuition fees and education contracts	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Adult education fees	880	1,065
Apprenticeship contracts	99	88
Fees for FE loan supported courses	389	471
Fees for HE loan supported courses	828	1,086
Total Tuition Fees	2,196	2,710
Education contracts	165	121
Total	2,361	2,831

3a Fees and grant income

As an OfS registered College a single table is required to show grant and fee income. The table below summarises this information, which forms part of the disclosures in notes 2 to 4.

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Grant income from the Office for Students	144	13
Grant income from other bodies	39,145	38,327
Fee income for taught awards	996	1,227
Fee income from non-qualifying courses	1,200	1,483
Total	41,485	41,050

4 Other grants and contracts

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Other grant income	264	963
Local Authority High Needs Funding	1,036	824
Total	1,300	1,787

5 Other Income

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Catering & Residences	507	339
Other income generating activities	872	753
Miscellaneous income	79	47
Total	1,458	1,139

6 Investment Income	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Other interest receivable	458	52
Total	458	52

7 Donations

The college did not receive any donations during 2022/23 (2021/22: nil)

8 Staff costs – Group and College

The average number of persons (including key management personnel) employed by the college during the year, described as head count, were (2022 figures restated as head count)

	2023 No.	2022 No.
Teaching staff	391	398
Non-teaching staff	363	365
	754	763
Staff costs for the above persons		
	2023 £'000	2022 £'000
Wages and salaries	22,554	21,956
Social security costs	2,200	2,110
Other pension costs	5,362	8,021
Apprenticeship levy	99	95
Payroll sub total	30,215	32,182
Contracted out staffing services	546	363
	30,761	32,545
Restructuring costs – Contractual	56	59
Total Staff costs	30,817	32,604

The corporation does not have any salary sacrifice arrangements in place.

8 Staff costs –(continued)**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 college Executive Team and Clerk to the Corporation, a list of individual post holders is given on page 3.

Staff costs include compensation paid to key management personnel for loss of office.

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>8</u>

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:

	Key management personnel		Other staff	
	2023 No.	2022 No.	2023 No.	2022 No.
£5,001 to £10,000		1		
£40,001 to £45,000	1	1		-
£60,001 to £65,000			7	4
£75,001 to £80,000		2		-
£80,001 to £85,000	3	3		-
£85,001 to £90,000	1			
£95,000 to £100,000	1			-
£170,001 to £175,000		1		
£185,001 to £190,000	1			
	<u>7</u>	<u>8</u>	<u>7</u>	<u>4</u>

Including part time workers grossed up to full time equivalent and staff on maternity, paternity or sickness leave at their usual rate of pay, 1 member of key management personnel were paid in the £70,001 to £75,000 banding in 2023 (2022: 1).

8 Staff costs – (continued)

Key management personnel compensation is made up as follows:

	2023	2022
	£'000	£'000
Basic salary	646	626
Benefits in kind	6	6
Pension contributions	131	124
Total key management personnel compensation	<u>783</u>	<u>756</u>

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2023	2022
	£'000	£'000
Basic salary	183	172
Other including benefits in kind	6	6
Pension contributions	35	32
	<u>224</u>	<u>210</u>

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles.

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

The Principal is the College's Chief Executive Officer and as such has overall responsibility for the effective management of the College. The Principal is the accountable officer responsible for effective governance and financial stewardship of the College. The Principal is responsible to and works closely with the Chair of the Corporation in these matters and all other aspects of the work of the governing body. The Chair of the corporation undertakes an annual review of his performance against the college's overall objectives using both qualitative and quantitative measures of performance, including financial performance, student numbers, national sector benchmarks and Ofsted grading.

8 Staff costs – (continued)**Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple**

	2023	2022
	£'000	£'000
Principal's basic salary as a multiple of the median of all staff	6.60	6.37
Principal's total remuneration as a multiple of the median of all staff	6.87	6.60

Compensation for loss of office paid to former key management personnel

	2023	2022
	£	£
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 did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Severance payments

The college paid 8 severance payment in the year, disclosed in the following bands:

	2023
0 - £25,000	8

There were no special severance payments made during the reporting period.

9 Other operating expenses	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Teaching costs	2,922	2,303
Non-teaching costs	4,270	3,977
Premises costs	4,272	3,658
Total	11,464	9,938

Other operating expenses include:	2023	2022
Auditors remuneration:	£'000	£'000
Financial statements audit	42	48
Other services provided by the financial statements auditor	1	22
Internal audit fees	24	24
Other services provided by the internal auditors	15	26
Losses on disposal of non-current assets	-	-
Hire of assets under operating leases	127	104

9a Access and Participation spending	2023 £'000	2022 £'000
Access Investment	50	58
Financial Support for students	52	57
Research and evaluation	12	12
Total	114	127

The Access and participation spending includes staff costs of £39,354 (2022: £46,539) which are included in note 8.

The College's Access and Participation Plan can be found on the college website www.walsallcollege.ac.uk

9b Write offs, losses, guarantees, letters of comfort and compensation payments

The college wrote off debts amounting to £99k in the year to 31 July 2023. Included in this amount were 4 individual debts over £5k. Individually the payments were £7,200; £5,400; £5,160 and £5,040, and related to student debt incurred during the COVID-19 pandemic where teaching was interrupted.

10 Interest and other finance costs	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
On bank loans, overdrafts and other loans	281	301
Other interest	-	(921)
	281	(620)
Net interest on defined pension liability (note 25)	547	719
Total	828	99

In 2022 the college received a refund of £921k from HMRC relating to payments made under the Lenartz scheme.

11 Taxation

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

12 Tangible fixed assets

	Land and Buildings	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	83,425	13,342	61	96,828
Additions	1,792	1,966	4,154	7,912
Transfer	2		(2)	-
At 31 July 2023	85,219	15,308	4,213	104,740
Depreciation				
At 1 August 2022	29,777	12,012	-	41,789
Charge for the year	2,343	923	-	3,266
At 31 July 2023	32,120	12,935	-	45,055
Net book value at 31 July 2023	53,099	2,373	4,213	59,685
Net book value at 31 July 2022	53,648	1,330	61	55,039

Land and buildings inherited from the LEA at incorporation were valued in 1994 at depreciated replacement cost by Fraser Wood Mayo and Pinsent a firm of independent Chartered Surveyors.

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	£'000
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	Nil

13 Non-current investments	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Investments in subsidiary companies	2	2
Total	2	2

The College owns 100 per cent of the issued ordinary shares £1 shares of Broadway Training Ltd, a company incorporated in England and Wales. The company has not traded in 2022/23 and 2021/22.

14 Debtors	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Amounts falling due within one year:		
Trade receivables	325	699
Prepayments and accrued income	1,056	468
Amounts owed by the ESFA	10	79
Amounts owed by the WMCA	330	
Total	1,721	1,246

15 Current investments	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Endowment investments	14	15
Short term deposits	8,000	6,000
Total	8,014	6,015

Treasury deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months' maturity from the date of acquisition. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

Endowment investments are represented by:	2023 £'000	2022 £'000
Fixed interest stock	8	8
Equities	6	7
	14	15

16 Creditors: amounts falling due within one year	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Bank loans and overdrafts	268	252
Payments received in advance	1,592	1,511
Trade payables	1,045	447
Other taxation and social security	593	578
Short term employment benefits	1,069	1,013
Accruals and deferred income	1,957	3,025
Other creditors	890	712
Deferred income – government capital grants	2,200	716
Deferred income – government revenue grants	-	198
Amounts owed to the WMCA	25	71
Amounts owed to the ESFA	2,038	1,395
Total	11,677	9,918

17 Creditors: amounts falling due after one year	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Bank loans	4,391	4,659
Other creditors	9	9
Total	4,400	4,668

18 Maturity of debt

Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
-------------------------------------	-------------------------------------

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

In one year or less	268	252
Between one and two years	284	268
Between two and five years	621	586
In five years or more	3,486	3,805
Total	4,659	4,911

A bank loan of £7m (£4.6m outstanding) was secured on the Wisemore Campus in 2010. This loan bears a fixed interest of 5.5% (excluding lending margin) and is repayable by instalments over twenty-five years until 2035.

19 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2022	15,130	142	15,272
Expenditure in the period	(15,130)	(34)	(15,164)
At 31 July 2023	-	108	108

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. The latest Actuarial valuation has recorded that this scheme is being in an asset position, however, in accordance with accounting conventions under FRS102 this is not a realisable asset and has been given a zero valuation for accounting purposes. Further details are given in note 25.

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

The principal assumptions for this calculation are:

	2023	2022
Price inflation	2.8%	2.9%
Discount rate	5.0%	3.3%

20 Cash and cash equivalents

	At 1 August 2022	Cash flows	Other changes	At 31 July 2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	8,070	(3,377)	-	4,693
Treasury deposits	4,000	(2,500)	-	1,500
Total	12,070	(5,877)	-	6,193

21 Capital and other commitments

	2023 £'000	2022 £'000
Commitments contracted for at 31 July	337	880

22 Lease obligations

At 31 July the college had minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	10	62
Later than one year and not later than five years	-	132
Later than five years	-	-
	<u>10</u>	<u>194</u>
Other		
Not later than one year	74	29
Later than one year and not later than five years	240	-
Later than five years	-	-
	<u>314</u>	<u>29</u>
Total lease payments due	<u>324</u>	<u>223</u>

23 Contingencies

The College had no contingent liabilities as at 31st July 2023. (2022 : nil)

24 Events after the reporting period

There are no events after the reporting period.

25 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 West Midlands Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wolverhampton City Council. 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, as at 31 March 2022.

Total pension cost for the year	2023	2022
	£000	£000
Teachers' Pension Scheme: contributions	2,405	2,258
HL SIPP contributions paid	18	16
Local Government Pension Scheme:		
Contributions paid	1,993	1,768
FRS 102 (28) charge	962	3,994
Charge to the Statement of Comprehensive Income	2,955	5,762
Enhanced pension charge to Statement of Comprehensive Income	(16)	(15)
Total Pension Cost for Year within staff costs	5,362	8,021

Contributions amounting to £508k (2022: £457k) were payable to the scheme and are included in creditors.

25 Defined benefit obligations (continued)

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

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

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

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

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- 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 £196 billion, giving a notional past service deficit of £22 billion.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

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

The pension costs paid to TPS in the year amounted to £2,405k (2022: £2,258k).

25 Defined benefit obligations (continued)**Local Government Pension Scheme**

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Wolverhampton City Council. The total contributions made for the year ended 31 July 2023 were £2,651k, of which employer's contributions totalled £1,993k and employees' contributions totalled £658k. The agreed contribution rates for future years are 21.10% for the college and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by Hymans Robertson LLP. The scheme has moved to an asset position, however, in line with financial reporting standards (FRS 102) the LGPS scheme has not been presented as an Asset, but instead is given a zero valuation in the accounts.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	4.00%	3.70%
Future pensions increases	3.00%	2.70%
Discount rate for scheme liabilities	5.05%	3.50%
Inflation assumption (CPI)	3.00%	2.70%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2023 Years	At 31 July 2022 Years
<i>Retiring today</i>		
Males	20.2	21.2
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	21.5	22.9
Females	24.8	25.4

25 Defined benefit obligations (continued)

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

	Percentage of fund assets at 31 July 2023	Fair Value at 31 July 2023 £'000	Percentage of fund assets at 31 July 2022	Fair Value at 31 July 2022 £'000
Equity instruments	68%	39,078	65%	35,640
Gilts and other Bonds	21%	12,068	23%	12,611
Property	7%	4,023	8%	4,387
Cash and Other	4%	2,299	4%	2,193
Total fair value of plan assets		57,467		54,831
Actual return on plan assets		(162)		1,207

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

	2023 £'000	2022 £'000
Fair value of plan assets	57,467	54,831
Present value of plan liabilities	(52,317)	(69,934)
Present value of unfunded liabilities	(16)	(27)
FRS102 adjustment to derecognise pension asset	(5,134)	
Net pensions liability	-	(15,130)

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost	2,896	5,760
Total	2,896	5,760

25 Defined benefit obligations (continued)

	2023	2022
	£'000	£'000
Amounts included in investment income		
Net interest cost	(547)	(719)
	(547)	(719)
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	(2,107)	361
Experience losses arising on defined benefit obligations	4,720	(232)
Changes in assumptions underlying the present value of plan liabilities	17,514	32,039
Change in demographic assumptions	1,697	377
FRS102 adjustment to derecognise pension asset	(5,134)	
Amount recognised in Other Comprehensive Income	16,690	32,545
Movement in net defined benefit liability asset during year		
	2023	2022
	£'000	£'000
Net defined benefit liability in scheme at 1 August	(15,130)	(42,914)
Movement in year:		
Current service cost	(2,896)	(5,760)
Employer contributions	1,934	1,766
Net interest on the defined liability	(547)	(719)
Actuarial gain or loss	21,824	32,545
Administration costs	(51)	(48)
FRS102 adjustment to derecognise pension asset	(5134)	-
Net defined benefit liability at 31 July	-	(15,130)

25 Defined benefit obligations (continued)**Asset and Liability Reconciliation****Changes in the present value of defined benefit obligations**

	2023	2022
	£'000	£'000
Defined benefit obligations at start of period	69,961	95,174
Current service cost	2,896	5,760
Interest cost	2,492	1,565
Contributions by Scheme participants	652	610
Experience gains and losses on defined benefit obligations	(3,514)	232
Changes in financial assumptions	(17,514)	(32,039)
Changes in demographic assumptions	(1,697)	(377)
Estimated benefits paid	(991)	(1,008)
Unfunded pension payments	(3)	(4)
Administration Expenses	51	48
Defined benefit obligations at end of period	52,333	69,961

Changes in fair value of plan assets

	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	54,831	52,260
Interest on plan assets	1,945	846
Return on plan assets less interest	(2,107)	361
Other actuarial gains/(losses)	1,206	-
Employer contributions including unfunded	1,934	1,766
Contributions by Scheme participants and other employers	652	610
Estimated benefits paid plus unfunded net transfers in	(994)	(1,012)
Fair value of plan assets at end of period	57,467	54,831

The defined benefit obligations include a past service cost 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. The Fund actuaries (Hymans Robertson LLP) have allowed for the McCloud judgement in the calculation of the latest funding valuation results and therefore an allowance is included in the accounting disclosure.

26 Related party transactions

Due to the nature of the college's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of 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 (2022: £720; 1 governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the college or its subsidiaries during the year (2022: None).

The Assistant Principal Commercial Development sits on the AELP board as the Further Education representative. The College is a member of AELP and paid membership and seminar fees in accordance with AELP's published rates of £4,420.80. The Assistant Principal Commercial Development also has served as a member on the Board of Francesco Group Holdings Ltd during the reporting period. The College contracts with the company for training and consultancy services and paid £9,600 in fees during the reporting period. This was conducted at arms length under the usual business terms.

The College contracted with Nicola Clarke an Environmental Consultant during the reporting period. This contractor is the spouse of the Director of Commercial Projects. The College paid £648 for services during the reporting period. This transaction was conducted at arms length under the usual business terms.

27 Amounts disbursed as agent - Learner support funds

	2023	2022
	£'000	£'000
16-18 bursary grants	957	901
Adult bursary grants	146	38
Interest earned		
	<u>1,103</u>	<u>939</u>
Disbursed to students	(763)	(508)
Administration costs	(35)	(21)
	<u>305</u>	<u>410</u>
Balance unspent as at 31 July, included in creditors		

Funding body bursary 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.

