

Wirral Metropolitan College

Report and Financial Statements for the year ended 31 July 2021

Wirral Metropolitan College

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2020/21:

Susan Higginson, Principal and CEO, Accounting Officer.
Michael Norton, Deputy Principal.
Philip Jones, Vice Principal Quality Assurance
Christine Carter, Vice Principal Curriculum
Lesley Venables, Clerk to the Corporation

Board of Governors

A full list of Governors is given on page 15 and 16 of these financial statements.

Lesley Venables acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

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

Internal auditors:

RSM Risk Assurance Services LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Bankers:

Barclays Bank Plc
182–184 Grange Road
Birkenhead
CH41 6EA

Solicitors:

Eversheds
70 Great Bridgwater Street
Manchester
M1 5ES

Wirral Metropolitan College

Contents	Page
Report of the Governing Body	1
Statement of Corporate Governance and Internal Control	16
Governing Body's Statement on the College's Regularity, Propriety and Compliance with Funding Body Terms and Conditions of Funding	24
Statement of Responsibilities of the Members of the Corporation	25
Independent Auditor's Report to the Corporation of Wirral Metropolitan College	27
Reporting Accountant's Assurance Report on Regularity	32
Statement of Comprehensive Income	34
Statement of Changes in Reserves	35
Balance Sheet as at 31 July 2021	36
Statement of Cash Flows	37
Notes to the Accounts	38

Wirral Metropolitan College

Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited financial statements for the year ended 31 July 2021.

Legal status

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

The Corporation was incorporated as The Corporation of Wirral Metropolitan College.

Mission

Governors maintained the following mission statement during 2021:

"To enhance economic prosperity through high quality, work-related education and skills".

Public Benefit

Wirral Metropolitan College is an exempt charity under Part 3 of the Charities Act 2011 and following Government changes in July 2016 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 15 and 16.

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. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with Liverpool City Region (LCR) and Local Enterprise Partnerships (LEPs)
- Outstanding provision for students with a wide range of learning difficulties and disabilities
- Access to further education opportunities within the local community particularly with disadvantaged groups
- Other items appertaining to public benefit are referred to in the report

Wirral Metropolitan College

Implementation of strategic plan

In 2020 the College adopted a strategic plan for the period 1 August 2020 to 31 July 2023 and despite the effects of the Coronavirus pandemic (COVID-19), WMC's Vision, Mission and Strategic Objectives remain unchanged. However, the way in which the core business of teaching and learning is designed and delivered was adapted in order to accommodate social distancing and the Government restrictions that were a result of the Covid 19 pandemic. All existing strategies that were part of the planning cycle, have incorporated and implemented the changes required for WMC to operate safely during the pandemic. This involved a complete review of how curriculum courses can be delivered, with more focus on remote and online learning, blended with face to face teaching and learning.

The College's continuing strategic objectives are:

Vision

- To be an inclusive, outstanding College

Mission

- To enhance economic prosperity through high quality, work-related education and skills.

Themes

- Ensure we are responsive
- Ensure we set and meet high quality standards in teaching and learning
- Ensure we are efficient and financially viable

The Corporation monitors the performance of the College against the strategic plans and additionally approves property and financial plans annually.

The College's specific objectives for 2020/2021 and the achievement of those objectives is addressed below. The targets and Key Performance Indicators (KPIs)s are monitored through the year by means of a Balanced Scorecard which is considered at each Board meeting and supported by a rigours system of reporting and action planning/impact reviews.

Performance indicators

Attendance and retention are illustrated below under "Current and Future Development and Performance".

Curriculum achievement – Most of the College's funding streams perform above national rates with respect to outcomes for learners. The College's largest area of activity is for 16-18 year-old learners and within this area the College has continued its year on year improvement in 2020/2021 with outcomes now exceeding national rates in specific subjects.

Safeguarding training compliance – Compliance was 98%. (2019/2020 99%)

Wirral Metropolitan College

Internal Audit actions –The programme of internal audits was restarted in September 2020, after being suspended during the first national lockdown with the approval of the Audit Committee. Audit actions are monitored by the Committee with follow up to ensure that management actions are undertaken in a timely manner.

The College has exceeded its contracted targets for 16-18 year-old and adult learners, which has led to growth in funding for 2021/2022. This is a combination of increased market share (more learners choosing to be taught at WMC particularly in higher paid career routes) and more 16-18 year olds in Wirral.

Financial indicators

16-18 years old numbers and income earned – Contracted numbers for 2020/2021 were 2,241 and the College has achieved 2,260. As the College has achieved higher than contracted numbers, it will receive a greater funding allocation for 2021/2022. This is despite programmes such as supported internships and traineeships being curtailed as a result of Covid restrictions.

Apprenticeship income – Earnings for Apprenticeships was £1,281k (2019/20 £1,301k). Apprenticeship starts were high towards the end of the year, particularly in construction where the College has an excellent reputation with employers. This underpins strong performance in 2021-22.

Adult Skills income – The majority of Adult Skills Income comes from Liverpool City Region allocated funding, which amounted to £3,337K in 2020/2021. The non-devolved Adult Education Budget funding achieved in 2020/2021 was £124K (2019/20 £159K). This was below the 90% threshold and may lead to a potential clawback in 2021/2022 should ESFA fail to recognise the higher than average impact Covid would have on an “out of area” contract for a college in a devolved authority. Additionally, traineeship income in 2020/2021 amounted to £88K (2019/2020 £79K).

Higher Education income – Income for 2020/2021 was £1,633K (2019/2020 £1,472K). In 2020/2021 additional programmes catering to revised student demand have been introduced.

Overall income, including capital grant releases, was £22,994K (2019/2020 £21,733K).

Financial Health

The College is committed to observing the importance of sector measures and indicators. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The College is assessed by the ESFA methodology as having an “Outstanding” financial health grading. The current rating of Outstanding is considered an excellent outcome. It is expected to remain at Outstanding in 2021/2022 with a similar score. The College is in a stable position to reinvest its surpluses in improved services for students and maintain an excellent breath of offer.

FINANCIAL POSITION

Financial results

The College generated an operating surplus of £2,127K before restructuring costs of £99K and an actuarial pension adjustment in accordance with FRS 102 of £4,267K. After this pension adjustment there is other comprehensive income of £6,295K.

Wirral Metropolitan College

The College has accumulated reserves of £(301)K, (2019/2020 £(6,596)K) including a Local Government Pension Fund deficit of £(15,211)K, (2019/2020 £(18,150)K) and cash and short term investment balances of £9,195K (2019/2020 £5,438K).

Tangible fixed asset additions during the year amounted to £2,770K, of which £2,756K relates to Assets under Construction.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2020/2021 the funding bodies provided 84.7% of the College's total income (2019/2020 81%). Whilst historically that was considered a weakness by central overseers, subsequent financial failures in the FE sector have highlighted the importance of focusing upon the quality of the core business regardless of the dependence that may or may not give on government funding.

Treasury policies and objectives

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

Treasury management is bound by the College Financial Regulations and Standing Orders. The investment of surplus cash is currently placed with the College bankers.

Cash flows and liquidity

Net cash flow from operating activities at £4,377k (2019/20 £3,011k) although it should be noted that the majority of this figure is associated with depreciation (which requires fixed asset purchases to maintain the estate) and the difference between servicing costs of the College pension and actual payments made (in effect a liability that will require payment in the future). The surplus for the year is the more relevant figure to consider with respect to the College's ability to make a meaningful improvement to its future offer.

The total net cash inflow of £3,757k (2019/20 inflow £2,879k) includes a strong surplus for the year. However, whilst the short-term impact of Covid was positive with regards to certain costs in 2020-21 it has left a legacy of unfunded costs (additional pastoral support costs/lower effective class sizes) for 2021-22.

The size of the college's borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the cost of servicing the debt and operating cashflow. During this year the cushion was sizeable; the interest paid of £32K was clearly exceeded comfortably by the operating cash flow of £4,377K.

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. As at the Balance Sheet date the Income and Expenditure Reserve including the Merseyside Pension Fund pension provision stands at £(301)k (2019/20 (£6,596)k). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

Wirral Metropolitan College

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2020/21 the College has delivered activity that has produced £18,914k in funding body main allocation funding (2019/20 £16,646k). The College had 2260 16-19 students (2019/20 2202) equating to £11,861K of delivery and 4,130 (2019/20 3531) adults with a combination of funding streams including grant funded, self-funded and loan funded.

Student achievements

<u>Category</u>	<u>2020/21</u>	<u>2019/20</u>	<u>Change</u>	<u>National Rate</u>
16 –18 years old Retention (including English and Maths)	94.3%	93.7%	+0.6%	91.7
16 –18 years old Retention – English	95.1%	88.4%	+6.7%	91.3%
16 –18 years old Retention – Maths	94.6%	93.0%	+1.6%	90.4%
16 –18 years old Achievement (including English and Maths)	86.0%	89.5%	-3.5%	86.0%
Adult Achievement	87.6	90.5%	-2.9%	89.9%
Overall Achievement – Maths	79.1%	85.4%	-6.3%	91.0%

The quality of provision and outcomes was broadly maintained during the pandemic which is highly unusual for an institution dedicated to vocational on-site provision (that requires practical face to face demonstrations). This was achieved by anticipating that a future lockdown was inevitable in the year and adapting through a policy of front-loading practical work at the start of the year where there was no lockdown and purchasing and distributing laptops months in advance of the government's laptop scheme. This approach was only possible due to the College's financial standing and the proactive nature of its decision making and Board and Executive level.

Curriculum developments

Wirral Metropolitan College developed a strategy to support a return to operations after the national lockdown, to facilitate a safe return to work and observe social distancing whilst the national vaccination programme was rolled out. This involved a complete review of how the curriculum could be delivered with more focus on remote and online learning, blended with face to face teaching and learning. The start of the year saw greater opportunity for face to face learning such that practical work was frontloaded in anticipation of a future lockdown (where more theoretical work would be undertaken online). This approach limited the impact of Covid on student's learning during the year.

Wirral Metropolitan College's objective to prepare students for the world of work and underpin the skills needs of the local economy. It is the largest provider of education within Wirral and wholly vocationally based, running courses from entry level to masters' degree level. During 2020/2021 it has introduced new courses in many areas of the curriculum in order to meet student needs in addition to expanding its offer in existing areas. Together with strong quality and progression routes, this has led to the College again exceeding its educational contracts for 2020/2021 against a falling demographic locally and nationally.

Wirral Metropolitan College

The College is fully inclusive and has high aspirations for all of its learners. The College's student intake covers a broad spectrum of learners, from students with high needs to learners aspiring to professional employment and high value jobs. Curriculum planning is designed to ensure effective progression routes for all learners, underpinned by a strong ethos of support and mentoring. Curriculum planning is supported by employment market analysis and competitor benchmarking as well as linking to LCR/LEP economic reports. It now also offers Career Coach on its website, via the student intranet. Prior to admission, Student Advisers help students make decisions on their career progression opportunities and offer independent advice and guidance.

The College also provides courses aimed specifically at re-engaging young people who are Not in Education, Employment or Training (NEET), and are not yet ready to access a mainstream vocational pathway. It is working with colleagues at the local authority to develop further opportunities for this group in order to reduce the Wirral NEET population.

For adults, the College has a strong return to learning and career progression offer. The College's adult education contract continues to be exceeded against national trends and is based upon supporting the needs of the local economy. The College has forged close links with key stakeholders to support progression into higher education via Access programmes. For 2020/2021 the College also saw a very large increase in the number of students needing English for Speakers of Other Languages courses, a trend that has continued in 2021/2022.

Wirral Metropolitan College also has a large Higher Education offer, supported by key universities within the local area. This offer has been reviewed in depth and indications for 2021-22 are that this has been successful and has led to a growth in students, again against national expectations.

The College has developed the Additional Learning Support provision available to students, in response to the increase in the numbers of students with autistic spectrum difficulties, ADHD, anxiety and other sensory needs.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2020 to 31 July 2021, the College paid 96% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Events after the end of the reporting period

There are no post balance sheet events to report.

Wirral Metropolitan College

FUTURE PROSPECTS

With the national vaccination programme well underway and an easing of lockdown restrictions, the UK economy is in the midst of recovery. However, there is no increase in the rate of funding per learner for 2021-22 against a backdrop of increasing inflation and higher national insurance contributions for both the College and employees. The government's funding position therefore has a gap between its aspirations to enhance further technical education and actually reducing core funding. This is against a historical position where funded hours/rates for vocational provision are lower than other devolved administrations in the UK. Of particular concern is the reduction in funded hours from 540 hours to 450 hours for learners aged 18 which impacts on WMC's more deprived learners and those with educational health care plans (EHCP). The impact of this single measure reduces WMC's funding by over £500,000 for learners who are most often from the area's most deprived wards and of greatest need.

It is hoped that T levels address the gap in funding at level 2 and 3 although there remains concern at lower levels and for students with EHCPs that will not be funded at appropriate levels.

WMC overcomes this issue by being efficient in its management and effective in its delivery. It is proactive in seeking additional sources of funding or undertaking innovative approaches to securing the needed support for its students, for example undertaking an energy reduction capital project to reduce carbon emissions that freed up resources for more pastoral mentors. Whilst WMC is successful in its financial management this is in a sector where colleges often face financial difficulties.

Capital investment

The College has invested heavily in its estate in recent years following contributions from the Combined Authority and Central Government. During 2015/2016 the College was part of the Area Based Review for Merseyside which reviewed College estates in the region. WMC's estate was highlighted as high quality and the College has continued to invest in its estate throughout 2020/2021.

Within 2020-21 the College invest a further £2.8million of capital investment with the assistance of the Combined Authority and the decarbonisation fund. The College also received a building from Wirral Council which was surplus to the Council's requirements and reduced their estate liability whilst providing the College with additional space. The College will continue to seek opportunities to enhance the its estate and maintain its outstanding facilities for learners.

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.

Numbers of employees who were relevant period	FTE employee number
10	7.59

Wirral Metropolitan College

Percentage of time	Number of employees
0%	3
1-50%	7
51-99%	0
100%	0

Total cost of facility time	£6,405.35
Total pay bill	£12,704,061
Percentage of total bill spent on facility time	0.05%

Going concern

Although the College has net liabilities, this is due to the change of treatment of deferred capital grants which are now recognised as deferred income with creditors and allocated between creditors due within one year and due after one year as appropriate. Deferred capital grants are monies received against fixed assets projects and are offset against future depreciation costs. The College is assessed by ESFA, and self-assessed, as financially Outstanding.

The Governing Body has considered that the College has adequate resources to meet its ongoing liabilities and continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. During 2020/2021 there was a non cash movement in the College Pension scheme, that resulted in the College's assets being less than its liabilities. This was outside the College's control and the bank issued a letter of variation which waived the banks usual rights under this breach, varying the Event of Default wording so that any pension liability is stripped out of the liquidity test. The letter of variation was approved by board resolution in May 2021.

The College enters a period of economic uncertainty in outstanding financial health and has cash resources available. The College's forecast submitted to ESFA for 2021/2022 seeks to present a realistic position in a time of national uncertainty when a recession is likely to occur in the near future. The forecast takes account of potential loss of income and additional costs likely to be incurred as a result of the economy recovering from the COVID-19 pandemic. The actual financial position in 2021/2022 will be impacted by:

- Whether the increased national insurance costs for the College and its employees will be met by the government in the same way as it intends to for teachers or whether there will be an effect 2.5% cut to funding levels
- the ongoing macroeconomic and political COVID-19 recovery plan
- actual enrolment numbers and patterns
- other policy decisions on funding allocations and how far they remain responsive to actual requirements.

Wirral Metropolitan College

Prevent duty

In July 2015 a legal duty was placed on colleges, amongst others, to show "due regard to the need to prevent people from being drawn into terrorism". The College has put in place certain safeguards in recognition of this. Prevent issues are reported to the Board of Governors as part of Safeguarding, which is a standing item at each meeting. The College has a strong structure with regards to Safeguarding which it strengthened further in 2020/2021.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the five main College sites which each follow dedicated career paths.

Financial

The College has £14.9m of net assets (excluding £15.2m pension liability), (2019/20 £11.5m (£18.1m pension liability)) and long term debt of £1.5m. Overall the College is made a good surplus in 2020-21 for reinvestment in staff and curriculum development, together with the maintenance of the estate. However, it should be noted that 2021-22 is seeing liabilities associated with Covid (the need for additional pastoral support and smaller effective class sizes) that are not covered in the funding rates for learners. The College does not feel that surpluses will continue at 2021-22 levels.

People

During 2020/2021 the College employed 489 people (392 expressed as full-time equivalents and including agency staff), of whom 305 are teaching staff. The College continues to review its employment practices to be an employer that is recommended by the staff it employs. During the year the College continued its development of a new People Strategy and the focus on staff well-being will continue in 2021/2022.

Reputation

The College uses a wide range of tools and processes to engage stakeholders and remains constantly alert to customer engagement and experience, which impacts on reputation.

In addition to on-line surveys, the College has a Student Executive Council, Student Representatives from every curriculum area and a Student Governor who meet with the Chair of the Board and the Principal regularly. Student feedback is welcomed as a method to continue to improve the curriculum for future generations of students and seen as a key part of the quality process.

The outcome of these measures is a very high level of student satisfaction in comparison to other institutions as measured by central government and strong levels of progression to higher levels of study.

In addition, the College is mindful of its place within the community and the need to foster moral values within its students. Students are well behaved and undertake a number of voluntary activities to strengthen the area where they live.

Wirral Metropolitan College

Principal risks and uncertainties

The College undertakes significant work during the year in partnership with the Internal Auditors to develop and embed the systems of internal control, including financial, operational and risk management, which are designed to protect the College's assets and reputation.

The Senior Leadership Team undertakes a comprehensive review of the risks to which the College is exposed. It identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the College, and also considers any new risks which may arise as a result of work undertaken by the College, changes to Government policies or funding rules. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

A risk register is maintained at College level which is reviewed at every Audit Committee and Board meeting and is formally reviewed at the end of each year. The Audit Committee also considers and recommends for approval by the Board plans for internal audit focus for the following year.

The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Government funding

The College's main sources of funding are from public sources. In 2020/2021 84.7% (2019/20 81%) of the College's income arose from Government funding and in 2021/22 this is expected to be 83.7%. Government funding has historically been under pressure as a result of austerity measures. This has manifested itself in cuts to budgets and a frozen level of funding per student for a number of years. Recently this approach has appeared at odds with a political desire to increase pay for public sector workers and pensions and there is no intention at present for the government to cover increased national insurance pensions unlike for the teaching sector. In effect this is a 2.5% reduction in funding.

The College's response to this risk is as follows:

- Ensure that the College exceeds its student number targets from the Government. The College must earn the income it receives from public sources through delivering sufficient provision. Engagement with local employers and the community to exceed student targets places the College in the best position to avoid funding cuts and even receive additional funding allocations in future years.
- Continually review College operations to ensure that they perform in an efficient manner. The more efficient the College is at delivering skills, the greater will be its positive impact upon the community and the more robust the College will be in its ability to react to future changes.

As a result of continually ensuring that the College's "product" is reflective of student and employer needs, combined with efficient financial management, Wirral Metropolitan College has managed to maintain good financial stability.

Wirral Metropolitan College

Infrastructure

The College has an Estates Strategy that has been formally approved by the Board. That strategy considers the effectiveness of the estate and is coupled with the Finance Strategy to consider approaches to investment.

The College has undertaken in recent years the following key estate efficiency measures;

- To exit leased buildings. Leases typically involve a rental yield in the region of 10% and are of a temporary nature. They are inconsistent with a public sector organisation that can lend at low rates and whose provision is of a permanent nature (and whose sites are a marketing tool in themselves);
- To rationalise sites and space to five career led campuses. This reduces the operation of non-teaching space which typically costs £60 per m² annually to operate. The College runs with an effective estate with respect to size and the prevention of waste allows for effective maintenance of the estate to a high quality;
- To reduce energy costs of the estate through securing decarbonisation funding. This reduction in energy costs (and gas use in particular) allows for funds to be released for areas such as additional pastoral mentors.

The College has a good estate although this has brought additional student demand. It is a nice challenge that more students recognise the value of WMC's offer there is pressure at its construction facility in particular. The Wirral Waters construction site is an exemplar in the sector and a world class facility. Attempts are being made to extend the building but funding must be secured to do so.

Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme (LGPS) deficit on the College's Balance Sheet in line with the requirements of FRS 102. The Government withdrew from being the lender of last resort for colleges in 2017/2018 and will no longer guarantee creditors if any college gets into financial difficulties. As a result, the Government no longer guarantees the College's pension scheme, which is instead guaranteed by other local scheme members. However, the Government has introduced an Insolvency Regime in the event of a college going into administration, which underpins provision for learners and protects assets from administration orders. Given this position, the College continues to manage its pension scheme with the Merseyside Pension Scheme with respect to the security of the College's LGPS deficit.

Quality

The College was inspected in 2017/2018 and was rated as "Good" overall and "Outstanding" for students with High Needs. This is key to underpinning recruitment. Since that time the College has continued to improve the quality of its offer and outcomes for learners. A new Ofsted framework has been introduced since the last inspection which appears to be more in line with the College's inclusive and student centric approach. As a result, the College is confident it has maintained its Good rating and is progressing well in its pursuit of a grading of 'Outstanding' for its other areas of provision.

Wirral Metropolitan College

Staffing costs

In 2020/2021 approximately 86 FTE staff were placed on the Government's Furlough Scheme. These members of staff were identified via an analysis of activities which are not supported by Government funding, such as facilities and business support staff. The College continued to pay these staff at 100% of their wages and claimed the relevant percentage of income from the Government's national COVID-19 support scheme.(CJRS). The income claimed for furlough costs is included in Other Grants and contracts.

The College's lecturing staffing cost as a proportion of turnover is higher than other colleges. Whilst this enables the College to provide additional support to students, over the longer term this ratio will need to reduce.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Wirral Metropolitan College has many stakeholders. These include:

College Stakeholders

- Governors
- Staff
- Trade Unions
- Customers

- Students
- Employers
- Community and Third Sector Groups

Strategic Partners

- Local Enterprise Partnership
- Liverpool City Region
- Local Authorities
- Elected Members
- Wirral Chamber of Commerce
- Housing Associations
- National Apprenticeship Service
- Association of Colleges
- Sector Skills Organisations
- National Retail Academy
- Employers
- Community and Third Sector Groups

Contracting Partners

- Funding Agencies
- Sub-Contractors

Wirral Metropolitan College

The College is focused upon providing skills for employment in Merseyside and contributing to the mental wellbeing of the region. It therefore recognises the importance of these relationships and how they all enhance that mission. WMC therefore engages in regular communication with its stakeholders directly on specific issues, in planned meetings and through the College internet site.

The College has a formal compliments and complaints procedure available for use by any student or other user of the College not satisfied with the services provided. The number of complaints received amounts to less than 1% of the student population and, particularly when reviewed with other indicators such as Student Voice, there are no systemic issues, trends or causes for concern. However, every complaint is thoroughly investigated and used to address any weaknesses and inform areas for improvement

The College continues to consult with students and other stakeholders to help improve its services, using previously-identified good practice.

Equal opportunities and inclusivity

Wirral Metropolitan College is committed to ensuring equality of opportunity for all who learn and work here. It respects and values positively differences in race, gender, transgender identity, sexual orientation, religion or belief, ability, socio-economic status, marital status, pregnancy/maternity and age. It strives vigorously to remove conditions which place people at a disadvantage and will actively combat unlawful discrimination, harassment and victimisation. It also strives to advance equality of opportunity and to foster good relations by tackling prejudice and promoting understanding. This policy will be resourced, implemented and monitored on a planned basis. The College's Equality & Diversity Policy and related documentation is published on the College's internet site.

The College has been re-accredited to retain the Level Two Disability Confident Employer Award (formerly the Two Ticks Award). It continues to consider all applications for employment from disabled persons, bearing in mind the aptitude of the individual concerned. Where an existing employee becomes disabled, every reasonable adjustment is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those for other employees.

The College values all members of the community and strives to be an inclusive institution for the benefit of all.

The College's gender pay gap information is shown below. It should be noted that although there is a gender pay gap this does not mean that there is a difference of pay between genders. Instead it highlights the roles that genders typically apply for in the institution. WMC operates a wholly merit based approach to its recruitment selection procedures with checks and balances to ensure that this is the case. The gender pay gap only represents the tendency for females to apply for administrative roles within the College because of their particularly family friendly terms and conditions. The majority of the College's managers are female as is the Principal.

Wirral Metropolitan College

	Year ending 31 March 2021
Mean gender pay gap	9.54%
Median gender pay gap	11.05%
Mean bonus gender pay gap	0%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0%/0%

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	25.20%	74.80%
2	26.45%	73.55%
3	28.93%	71.07%
4 – Upper quartile	50.00%	50.00x%

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010, the Children and Families Act 2014, and the Special Educational Needs Code of Practice 2014.

The College continues to implement a programme of planned improvements and adaptations and has an Equality & Diversity Policy and Action Plan, which includes commitment and actions to promote disability equality. This ensures that the College makes all reasonable adjustments to support people with disabilities as far as is reasonably practicable.

The College has a range of assistive technologies available to support students with a range of learning difficulties and/or disabilities.

Applicants who indicate that they have a requirement for additional learning support and/or disabilities are assessed as part of their application and enrolment process and a detailed assessment of their individual needs is carried out. Support plans are then implemented to help them achieve their individual learning goals.

All staff in the College have a responsibility to support students with disabilities and to refer students for specialist support as necessary. There is a team of specialist teachers and Learning Support Assistants that support both discrete programmes and students in mainstream programmes. In addition to general support staff, there are specialists with skills and qualifications who support students with specific learning difficulties, moderate or complex learning difficulties, autistic spectrum disorders, sensory impairments and physical impairments.

Teaching, learning support and student services staff have had staff development to improve their responsiveness and awareness of people with learning difficulties and/or disabilities.

Wirral Metropolitan College

Where reasonable, the College makes adjustments for disabled students to access the College and the curriculum. There are a range of specialist programmes which provide a greater level of support in smaller groups for learners with more complex learning difficulties and/or disabilities. This area was described as outstanding in the 2010 OFSTED Inspection and this was again confirmed during the 2015 and 2017 OFSTED inspections.

College support services include learning support assistants, carers, communication support workers, specialist support tutors, pastoral support mentors, counselling, careers advice and finance/welfare advice, details of which are found in the Students' Handbook.

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 14th December 2021 and signed on its behalf by:



Tim Kelly
Chair

Wirral Metropolitan College

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.

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the 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 2014 insofar as it is applicable to the further education sector.
- In accordance with funding rules laid down by the Office for Students contained in the "Regularity Advice 9: Accounts Direction" instruction to ensure regularity in the use of this public funding and propriety in the use of public funding.

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 Association of Colleges' Code of Good Governance. The Corporation has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, it 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 and best practice.

In the opinion of the Governors, the College exceeds the provisions of the Code, and it has complied with the Code throughout the year ended 31 July 2021. 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 March 2015, which it formally adopted on 16 July 2015.

Wirral Metropolitan College

THE CORPORATION

The members who served on the Corporation during the year and subsequent to the year-end were as listed in the following table.

Governor	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance served
Ms L Ali	9 Jun 2021	4 years		External		1/1
Mr P Askew	28 Oct 2020	4 years	28 Feb 2021	External		2/2
Mrs A Barnish	18 Dec 2007, Reappointed: 18 Dec 2011 18 Dec 2015 1 Aug 2019	4 years 4 years 4 years 4 years		External	Quality & Standards Scrutiny	8/9
Ms L Barrow	23 Oct 2019	4 years		External	Audit	7/8
Ms L Buxton	16 Dec.2000 Reappointed: 20 Oct 2021	1 year 1 year	31 Jul 2021	Student	-	2/4
Mr G Doyle	22 Feb 2016 Reappointed: 1 Aug 2020	4 years 4 years		External	Quality & Standards Scrutiny; Remuneration *	8/11
Mrs S Higginson	1 Sept 2012	In post		Principal	Governance & Search	7/7
Ms L Jones	24 Feb 2015 Reappointed: 1 August 2018	4 years 4 years	31 Oct 2021	Staff	-	5/5
Mr T Kelly	21 Oct 2015 Reappointed: 1 August 2019	4 years 4 years		External	Chair of Board; Governance & Search; Quality & Standards Scrutiny; Remuneration	13/13
Mr R Mawdsley	16 Feb 2008 Reappointed: 5 Dec 2012 1 Aug 2016 1 Aug 2020	4 years 4 years 4 years 4 years		External	Remuneration*	5/7
Mr J McArdle	21 Oct 2014 Reappointed: 1 Aug 2018	4 years 4 years		External	Audit	9/9
Mr P McKeown	1 Aug 2018	4 years		External	Governance & Search	5/7
Mr I Parkinson	28 Oct 2020	4 years		External		4/5
Ms G Roberts	9 Jun 2021	4 years		External		1/1
Mr P Smith	27 Feb 2019	4 years		External	Quality & Standards Scrutiny	8/10

Wirral Metropolitan College

Ms J Winders	15 Dec 2015 Reappointed: 1 Aug 2019	4 years 4 years		External	Vice-Chair; Governance & Search; Remuneration	9/9
Ms V Wrigley	1 Aug 2018	4 years		Staff		4/5
Mr G Baines	1 Aug 2021	4 years		Co-opted to Audit	Audit	1/1
Ms S Johnson	1 Aug 2018 1 Apr 2020	4 years 4 years	31 Mar 2020	External Co-opted to QSS	Quality & Standards Scrutiny	3/4
Mr N Woodcock	18 Oct 2017	4 years	17 Oct 2021	Co-opted to Audit	Audit	4/4
Ms L Venables	1 August 2018	In post		Clerk to the Corporation.		

* Note that Remuneration Committee's membership is Chair, Vice-Chair (both ex-officio) and 2 external governors. The latter 2 individuals may change depending on the availability of members to attend.

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

The Corporation is provided with regular and timely information on the overall financial performance of the College, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets formally on five occasions each year and also holds two planning seminars.

The Corporation conducts some of its business through committees. Each committee has terms of reference, which have been approved by the Corporation. The committees are: Audit, Governance and Search, Quality & Standards Scrutiny and Remuneration. There is also a Capital Projects Working Group, which oversees any property-related issues. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College website or from the Clerk to the Corporation at:

Wirral Metropolitan College
Conway Park
Europa Boulevard
Birkenhead
Merseyside
CH41 4NT

The Clerk to the Corporation maintains a register of financial and personal interests of the 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 corporation's expense and have access to the Clerk to the Corporation, who is responsible to

Wirral Metropolitan College

the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

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

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

There is a clear division of responsibility in that the roles of the Chair of the Corporation and the Principal of the College are separate.

Appointments to the Corporation

There are currently places for sixteen members of the Corporation including the Principal plus two governors nominated by the College staff and one governor nominated by the students. Any new appointments to the Corporation are made by the Corporation as a whole. The Corporation has a Governance and Search Committee comprising four Corporation members, which is responsible for the selection and nomination of any new external member for appointment by the Corporation. The Corporation's policy on the selection of members is available on the College website.

Members of the Corporation are appointed for a term of office not exceeding four years in accordance with the recommendations of the Committee on Standards in Public Life. The Corporation maintains a skills audit of members and seeks to ensure that a wide range of skills, expertise and diversity is present amongst governors in order to encourage effective challenge and scrutiny of management plans and actions.

The existing Chair and Vice-Chair of the Corporation were reappointed for a further 2 year term of office with effect from 1st August 2021.

Corporation performance

The Board undertakes an assessment of performance annually, which includes the Corporation, individual governors, committees and the Chair of the Board. The outcomes of the process for 2020/2021 were presented to the Board at its meeting on 20th October 2021 and it was agreed that there were no significant gaps in the Board's processes, but some opportunities for further improvement or refinement. Monitoring of the implementation of the recommendations from the self-assessment process will be carried out by the Governance & Search Committee.

Following publication of the revised AoC Code of Good Governance in October 2021, a comparison of the Board's governance framework against the mandatory and optional elements of the Code will be undertaken by the Clerk, with any recommendations submitted to the Governance & Search Committee.

Remuneration Committee

Throughout the year ending 31 July 2021, the College's Remuneration Committee comprised the Chair and Vice Chair (ex officio) and two other eligible members of the Board of Governors. The

Wirral Metropolitan College

committee's responsibilities are to make recommendations to the Board on the remuneration and conditions of service of the staff, the Principal, other senior post holders.

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

Audit Committee

The Audit Committee comprises three eligible members of the Corporation (excluding the Principal, the Chair, the staff and student governors) and one co-opted member. The Committee operates in accordance with written terms of reference approved by the Corporation, which align to the ESFA's Post-16 Audit Code of Practice. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management control and governance processes.

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

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

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

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

The audit committee met four times in the year to 31 July 2021. The members of the Committee and their attendance records are shown below:

Committee member	Meetings attended
Ms L Barrow (External Governor)	4
Mr J McArdle (External Governor) – Committee Chair	4
Mr P Smith (External Governor)	0 (stepped down from Committee October 2020)
Mr N Woodcock (Co-opted Member)	4

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

Wirral Metropolitan College

eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material mis-statement or loss.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wirral Metropolitan College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The 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 2021 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 Board of Governors. This is built from the bottom up to create an aggregate position for the College and prevent the inclusion of any "hope factor" in the forecasts. WMC's approach to management accounting and cashflow management would be considered an exemplar when compared to the sector guidance issued by ESFA.
- Regular reviews by the Board of Governors 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

Wirral Metropolitan 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

Wirral Metropolitan College

service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. As a minimum annually, the Head of Internal Audit (HIA) provides the Board of Governors with a report on internal audit activity in the College.

Statement from the Audit Committee

The Audit Committee has advised the Board of governors that the Corporation has an effective framework for governance and risk management and effective internal controls in place.

The College appoints internal auditors to undertake a rolling programme of audits covering all areas of the College's operations. Their programme of work is set by the Audit Committee in advance of the year with recommendations from the internal auditors regarding which areas should be covered.

Areas are selected on a risk based approach attempting to review areas that are likely to be highest risk more often whilst covering those of lower risk less frequently (but still within a programme of audit).

The College benchmarks its audit days against the rest of the sector through the ESFA financial benchmarking reports.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. Her 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 regularity and financial statements auditors in their management letters and other reports

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

The Principal and the senior leadership team receive 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 Principal, the senior leadership team and the Audit Committee also receive regular reports from Internal Audit, 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 leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its

Wirral Metropolitan College

December 2021 meeting the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior leadership team and Internal Audit, and taking account of events since 31 July 2021.

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

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. These are underpinned by quality and efficiency measures aimed at improving the quality and financial status of the College.

Approved by order of the members of the Corporation on 14th December 2021 and signed on its behalf by:

Signed



Tim Kelly
Chair

Signed



Susan Higginson
Principal/Accounting Officer

Wirral Metropolitan College

Governing Body's Statement on the College's Regularity, Propriety and Compliance with Funding Body Terms and Conditions of Funding

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

We confirm, on behalf of the Corporation that, after due enquiry, and to the best of our knowledge, we are not able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the terms and conditions of funding under the corporation's grant funding agreements and contracts with the ESFA, or any other public funder.

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

Approved by order of the members of the Corporation on 14th December 2021 and signed on its behalf by:



Tim Kelly
Chair



Susan Higginson
Principal/Accounting Officer

Wirral Metropolitan College

Statement of Responsibilities of the Members of the Corporation

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

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

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

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the college will continue in operation

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

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

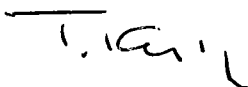
The Corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder.

Wirral Metropolitan College

Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the Corporation's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 14th December 2021 and signed on its behalf by:



Tim Kelly

Chair

Wirral Metropolitan College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2021

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Wirral Metropolitan College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2021

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of the Corporation

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

Wirral Metropolitan College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2021

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Wirral Metropolitan College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2021

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

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

Audit response to the risks identified;

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

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

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

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

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

Wirral Metropolitan College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2021

Use of our report

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

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

Wylie & Bisset (Audit) Limited

Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Date: 14th December 2021

Wirral Metropolitan College

Reporting accountant's assurance report on regularity

To: The corporation of Wirral Metropolitan College and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA)

In accordance with the terms of our engagement letter dated 24th September 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Wirral Metropolitan College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

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

Respective responsibilities of Wirral Metropolitan College and the reporting accountant

The corporation of Wirral Metropolitan College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

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

Wirral Metropolitan College

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Wylie & Bisset (Audit) Limited

Chartered Accountants
Statutory Auditors
168 Bath Street
Glasgow
G2 4TP

Date: 14th December 2021

Wirral Metropolitan College – Statement of Comprehensive Income

		Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Income	Notes		
Funding Body grants	2	19,477	17,588
Tuition fees and education contracts	3	2,274	2,450
Other grants and contracts	4	1,135	1,505
Other income	5	109	176
Investment income	6	-	13
		22,994	21,733
Total income			
Expenditure			
Staff costs	7	15,116	14,725
Fundamental restructuring costs	7	99	11
Other operating expenses	8	4,322	4,292
Depreciation	10	1,097	1,502
Interest and other finance costs	9	331	425
		20,965	20,850
Total expenditure			
		2,028	883
Surplus for the year			
Actuarial gain/(loss) in respect of pensions schemes		4,267	(826)
		6,295	57
Total Comprehensive Income for the year		6,295	57

Wirral Metropolitan College – Statement of Changes in Reserves

	Year ended 31 July 2021	Year ended 31 July 2020
Income and expenditure Account	£'000	£'000
Balance at 31 July 2020	(6,596)	(6,653)
Surplus from the income and expenditure account	2,028	883
Other comprehensive income	4,267	(826)
Transfers between revaluation and income and expenditure reserves	-	-
Total comprehensive income for the year	<u>6,295</u>	<u>57</u>
Balance at 31 July 2021	<u>(301)</u>	<u>(6,596)</u>

Wirral Metropolitan College – Balance Sheet as at 31 July

		2021 £'000	2020 £'000
Fixed assets	Notes		
Tangible fixed assets	10	28,198	26,527
		<u>28,198</u>	<u>26,527</u>
Current assets			
Stocks		-	-
Trade and other receivables	11	403	413
Cash and cash equivalents	16	9,195	5,438
		<u>9,598</u>	<u>5,850</u>
Less: Creditors – amounts falling due within one year	12	(3,345)	(2,679)
Net current /assets		<u>6,253</u>	<u>3,172</u>
Total assets less current liabilities		34,452	29,699
Less: Creditors – amounts falling due after one year	13	(17,180)	(15,604)
Provisions			
Defined benefit obligations	15	(15,211)	(18,150)
Other provisions	15	(2,363)	(2,543)
Total net liabilities		<u>(301)</u>	<u>(6,596)</u>
Unrestricted reserves			
Income and expenditure account		(301)	(6,596)
Total unrestricted reserves		<u>(301)</u>	<u>(6,596)</u>

The financial statements on pages 34 to 61 were approved and authorised for issue by the Corporation on 14th December 2021 and were signed on its behalf on that date by:



Tim Kelly
Chair



Susan Higginson
Principal/Accounting Officer

Wirral Metropolitan College – Statement of Cashflows

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash inflow from operating activities			
Surplus for the year		2,028	883
Adjustment for non cash items			
Depreciation		1,097	1,097
Decrease/(Increase) in debtors		10	(1)
Increase/(Decrease) in creditors due within one year		666	(2)
(Decrease) in provisions		(180)	(2,543)
Pensions costs less contributions payable		1,328	1,147
Release of Deferred Capital Grants		(604)	(822)
Adjustment for investing or financing activities			
Investment income		-	(13)
Interest payable		32	45
		4,377	3,011
Net cash flow from operating activities			
Cash flows from investing activities			
Investment income		-	13
Payments made to acquire fixed assets		(2,770)	(2,710)
Receipt of deferred capital grants		2,352	591
		(418)	49
Cash flows from financing activities			
Interest paid		(32)	(45)
Repayments of amounts borrowed		(170)	(136)
		(202)	(181)
Increase in cash and cash equivalents in the year			
		3,757	2,879
Cash and cash equivalents at beginning of the year	16	5,438	2,559
Cash and cash equivalents at end of the year	16	9,195	5,438

Wirral Metropolitan 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 2020 to 2021* and in accordance with the 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

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Report of the Governing Body. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The College is reporting net current assets of £6,253k, this is after accounting for deferred capital grants of £602k and accrued holiday pay of £395k for which the College does not expect to require cash out flows within the next 12 months. The net liability position of £301k arises due to the classification of deferred capital grants as deferred income within creditors due within one year and due after more than one year, and also the defined benefit pension obligation, the latter of which is not expected to crystallise in the foreseeable future.

The College currently has £1.7m of loans outstanding with bankers, on terms negotiated in 2020 secured against the Wirral Waters Campus. The terms of the existing agreement are for 10 more years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the

Wirral Metropolitan College – Notes to the Accounts

year end reconciliation process with the Funding Body following the year end, and the results of any funding audits. ESFA 16–18 learner-responsive funding is not subject to reconciliation and is therefore not subject to contract adjustments.

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

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

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

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other 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.

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.

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.

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.

Wirral Metropolitan College – Notes to the Accounts

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

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

Short term employment benefits

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

Enhanced pensions

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

Non-current assets – tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold and leasehold buildings are depreciated on a straight line basis on the lower of 50 years from the date that the building was brought into use by the College or the estimated life of the building when constructed. Freehold land is not depreciated as it is considered to have an infinite useful life. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

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

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.

Wirral Metropolitan College – Notes to the Accounts

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 £3,000 per individual item is recognised as expenditure in the period of acquisition, unless it forms part of a capital expenditure project costing more than £3,000. All other equipment is capitalised at cost.

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

- Technical equipment – 4 years
- IT equipment – 4 years
- Motor vehicles – expected life of vehicle
- Computer equipment – 4 years
- Furniture, fixtures and fittings – 10 years

Borrowing costs

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

Leased assets

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

Inventories

Inventories are 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.

Wirral Metropolitan College – Notes to the Accounts

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 College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The College is partially exempt in respect of Value Added Tax, so that it can only recover around 2% 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

Wirral Metropolitan College – Notes to the Accounts

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.

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds. Except for adult bursaries, which are part of the Adult Education Budget, 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Wirral Metropolitan College – Notes to the Accounts

2 Funding Body grants

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Recurrent grants		
Education and Skills Funding Agency (16–18)	13,451	10,667
Education and Skills Funding Agency (Adult)	3,894	3,609
Education and Skills Funding Agency (Apprenticeships)	1,281	914
OfS (Higher Education)	162	154
Other funding body grants		
Education and Skills Funding Agency (Other)	54	1,050
Specific Grants		
Indirect Funding	0	411
COVID-19 related funding	72	0
Releases of government capital grants	545	754
Releases of OfS capital grants	18	28
Total	19,477	17,588

In accordance with OfS Regulatory Advice 9, paragraph 32 the following OfS Income is contained within notes 2 and 3.

	£'000	£'000
OfS Grant and Fee Income		
Grant Income from OfS	211	182
Grant Income from Other Bodies	19,266	17,406
Fee Income for taught awards (ex VAT)	-	1,319
Fee Income for research awards (ex VAT)	-	-
Fee Income from non-qualifying courses (ex VAT)	-	1,132
Total	19,477	20,039

3 Tuition fees and education contracts

	2021 £'000	2020 £'000
Adult education fees	0	229
Apprenticeship Employer Contributions	0	10
Fees for FE loan supported courses	701	431
Fees for HE loan supported courses	1,471	1,319
Commercial Income	101	462
European (excluding UK) students	0	0
International students fees	0	0
Total	2,274	2,450

Wirral Metropolitan College – Notes to the Accounts

4 Other grants and contracts	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Other grants and contracts	<u>1,135</u>	<u>1,505</u>
Total	<u><u>1,135</u></u>	<u><u>1,505</u></u>

5 Other income	2021 £'000	2020 £'000
Non-government capital grants	41	40
Miscellaneous income	<u>68</u>	<u>136</u>
Total	<u><u>109</u></u>	<u><u>176</u></u>

6 Investment income	2021 £'000	2020 £'000
Other interest receivable	<u>0</u>	<u>13</u>
	<u><u>0</u></u>	<u><u>13</u></u>

Wirral Metropolitan College – Notes to the Accounts

7 Staff costs

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

	Year ended 31 July 2021 No.	Year ended 31 July 2020 No.
Teaching staff	305	292
Non-teaching staff	<u>184</u>	<u>193</u>
	<u>489</u>	<u>485</u>
Staff costs for the above persons		
	2021	2020
	£'000	£'000
Wages and salaries	10,326	9,700
Social security costs	842	791
Other pension costs	<u>3,132</u>	<u>3,416</u>
Payroll sub total	14,301	13,907
Contracted out staffing services	<u>778</u>	<u>785</u>
	15,080	14,691
Apprenticeship Levy	<u>37</u>	<u>34</u>
	15,116	14,725
Fundamental restructuring costs - contractual	99	11
	<u>15,216</u>	<u>14,736</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College's Senior Leadership Team which comprises the Principal, Deputy Principal and two Vice Principals and the clerk to the corporation.

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

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

Wirral Metropolitan College – Notes to the Accounts

7 Staff costs (continued)

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

	Key management personnel		Other staff	
	Year ended 31 July 2021	Year ended 31 July 2020	Year ended 31 July 2021	Year ended 31 July 2020
	No.	No.	No.	No.
£60,001 to £65,000	-	-	3	3
£65,001 to £70,000	-	-	1	-
£70,001 to £75,000	-	-	-	2
£75,001 to £80,000	2	2	2	-
£80,001 to £85,000	-	-	-	-
£85,001 to £90,000	1	1	1	1
£90,001 to £95,000	-	-	-	-
£95,001 to £100,000	-	-	-	-
£100,001 to £105,000	-	-	-	-
£105,001 to £110,000	-	-	-	-
£110,001 to £115,000	-	-	-	-
£115,001 to £120,000	-	-	-	-
£120,001 to £125,000	-	-	-	-
£125,001 to £130,000	1	1	1	1
	<u>4</u>	<u>4</u>	<u>8</u>	<u>7</u>

Key management personnel emoluments are made up as follows:

	2021 £'000	2020 £'000
Salaries	380	361
Benefits in kind	-	-
	<u>380</u>	<u>361</u>
Pension contributions	81	77
Total emoluments	<u>461</u>	<u>438</u>

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

	2021 £'000	2020 £'000
Salary	130	127
Benefits in kind	-	-
	<u>130</u>	<u>127</u>
Pension contributions	<u>26</u>	<u>25</u>

Wirral Metropolitan College – Notes to the Accounts

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

Wirral Metropolitan College – Notes to the Accounts

8 Other operating expenses	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Teaching costs	496	889
Non-teaching costs	3,063	2,509
Premises costs	<u>762</u>	<u>894</u>
Total	<u>4,322</u>	<u>4,292</u>
	2020	2019
	£'000	£'000
Access and Participation Expenditure		
Access Investment	30	28
Bursaries	40	45
Disability Support	0	14
Research and evaluation for participation activities	<u>28</u>	<u>14</u>
	<u>101</u>	<u>101</u>
Other operating expenses include:	2021	2020
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	22	22
Internal audit	<u>21</u>	<u>21</u>

Wirral Metropolitan College – Notes to the Accounts

9 Interest and other finance costs	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
On bank loans, overdrafts and other loans:	<u>32</u> 32	<u>45</u> 45
Enhanced pension finance costs	33	51
Pension finance costs (note 21)	<u>266</u>	<u>329</u>
Total	<u><u>331</u></u>	<u><u>425</u></u>

Wirral Metropolitan College – Notes to the Accounts

10 Tangible fixed assets

	Land and buildings		Equipment and Fixtures	Assets in the Course of Construction	Total
	Freehold £'000	Long leasehold £'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2020	25,411	9,604	7,340	552	42,906
Additions	-	-	14	2,756	2,770
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 July 2021	25,411	9,604	7,354	3,308	45,676
Depreciation					
At 1 August 2020	9,138	1,061	6,182	-	16,381
Charge for the year	527	192	378	-	1,097
Elimination in respect of disposals	-	-	-	-	-
At 31 July 2021	9,666	1,253	6,560	-	17,479
Net book value at 31 July 2021	15,745	8,351	794	3,308	28,198
Net book value at 31 July 2020	16,273	8,543	1,158	552	26,527

Land and Buildings are valued at Historical Cost.

Wirral Metropolitan College – Notes to the Accounts

11 Trade and other receivables	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Amounts falling due within one year:		
Trade receivables	235	72
Prepayments and accrued income	153	271
Amounts owed by the Skills Funding Agency	15	70
	<hr/>	<hr/>
Total	403	413

Wirral Metropolitan College – Notes to the Accounts

12 Creditors—amounts falling due within one year

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Bank loans and overdrafts	181	181
Trade payables	635	369
Other taxation and social security	443	421
Accruals and deferred income	338	554
Accrued holiday balances	395	311
Deferred income—government capital grants	602	561
Deferred income—other capital grants	0	41
Capital grants held on account	0	51
Other amounts held on account	750	190
Total	<u>3,345</u>	<u>2,679</u>

13 Creditors—amounts falling due after one year

	2021 £'000	2020 £'000
Bank loans	1,502	1,672
Deferred income—government capital grants >1 yr	14,563	12,775
Deferred income—other capital grants >1 yr	1,115	1,158
Total	<u>17,180</u>	<u>15,604</u>

Wirral Metropolitan College – Notes to the Accounts

14 Maturity of debt

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
In one year or less	181	181
Between one and two years	181	181
Between two and five years	542	542
In five years or more	779	949
	<hr/>	<hr/>
Total	<u>1,683</u>	<u>1,853</u>

Bank loans, repayable by instalments falling due between 1 August 2021 and 31 July 2030 totalling £1,683,000 are secured on a portion of the leasehold land and buildings of the College.

Wirral Metropolitan College – Notes to the Accounts

15 Provisions

	Defined Benefit Obligations £'000	Enhanced pensions £'000	Other £'000	Total £'000
At 1 August 2020	<u>18,150</u>	<u>2,543</u>	-	<u>20,693</u>
Expenditure in the period			-	-
Transferred to income and expenditure account	<u>(2,939)</u>	<u>(180)</u>	-	<u>(3,119)</u>
At 31 July 2021	<u>15,211</u>	<u>2,363</u>	-	<u>17,574</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 21.

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. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2021	2020
Price inflation	2.60%	2.30%
Discount rate	1.60%	1.30%

16 Cash and cash equivalents

	At 1 August 2020 £'000	Cash flows £'000	Other changes £'000	At 31 July 2021 £'000
Cash and cash equivalents	5,438	3,757	-	9,195
Total	<u>5,438</u>	<u>3,757</u>	-	<u>9,195</u>

17 Capital commitments

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Commitments contracted for at 31 July 2021	<u>2,697</u>	<u>480</u>

Wirral Metropolitan College – Notes to the Accounts

18 Lease Obligations

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

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	95	95
Later than one year and not later than five years	75	75
Later than five years	<u>-</u>	<u>-</u>
	<u>170</u>	<u>170</u>
Other		
Not later than one year	39	39
Later than one year and not later than five years	22	22
later than five years	<u>-</u>	<u>-</u>
	<u>61</u>	<u>61</u>

19 Contingent liabilities

There are no contingent liabilities.

20 Events after the reporting period

There are no events after the reporting period.

Wirral Metropolitan College – Notes to the Accounts

21 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 Merseyside Pension Fund (MPF) (LGPS) for non-teaching staff. 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 31 March 2021 and of the LGPS 31 March 2021.

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Total pension cost for the year		
Teachers Pension Scheme:	1,322	1,173
Local Government Pension Scheme:		
Contributions paid	756	947
FRS 102 (28) charge	<u>1,062</u>	<u>819</u>
Charge to the Statement of Comprehensive Income	1,818	1,766
Enhanced pension charge to Statement of Comprehensive Income	(9)	476
	<u>3,132</u>	<u>3,416</u>
Total pension cost for the year		

Teachers' Pension Scheme

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

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

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

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

Wirral Metropolitan College – Notes to the Accounts

The latest actuarial review of the TPS was carried out as at 31 March 2021.

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

The Merseyside Pension Fund (MPF) is a funded defined-benefit plan, with the assets held in separate funds administered by Wirral Borough Council . The total contribution made for the year ended 31 July 2021 was £1,128,000, of which employer's contributions totalled £858,000 and employees' contributions totalled £270,000. The agreed contribution rates for future years are 19.7 % for employers and range from 5.5% to 7.5% cent for employees, depending on salary.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	4.10%	3.80%
Future pensions increases	2.70%	2.40%
Inflation assumption (CPI)	2.60%	2.30%
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 2021	At 31 July 2020
	years	years
<i>Retiring today</i>		
Males	20.90	21.60
Females	24.00	24.80
<i>Retiring in 20 years</i>		
Males	22.50	25.20
Females	25.90	27.90

Wirral Metropolitan College – Notes to the Accounts

21 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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

	Long-term rate of return expected at	Fair Value at	Long-term rate of return expected at	Fair Value at
	31 July 2021	31 July 2021 £'000	31 July 2020	31 July 2020 £'000
Equities	42.40%	18,921	39.80%	15,610
Government bonds	2.80%	1,249	3.60%	1,412
Other bonds	23.50%	10,486	22.60%	8,863
Property	7.80%	3,481	7.40%	2,902
Cash	3.70%	1,651	8.80%	3,451
Other	19.80%	8,835	17.80%	6,981
Total market value of assets		44,623		39,219
Weighted average expected long term rate of return	13.78%		-1.09%	
Actual return on plan assets		5,404		1,772

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

	2021 £'000	2020 £'000
Fair value of plan assets	44,623	39,219
Present value of plan liabilities	(59,834)	(57,369)
Present value of unfunded liabilities	-	-
Net pensions (liability) (note 15)	(15,211)	(18,150)

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Current service cost	1,790	1,574
Past service cost	-	173
Total	1,790	1,747

Amounts included in investment income

Net interest (cost)	(266)	(329)
	(266)	(329)

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	4,985	(948)
Experience gains arising on defined benefit obligations	1,063	1,814
Changes in assumptions underlying the present value of plan liabilities	(1,781)	(1,692)
Amount recognised in Other Comprehensive Income	4,267	(826)

Wirral Metropolitan College – Notes to the Accounts

21 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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

	2021	2020
	£'000	£'000
(Deficit) in scheme at 1 August	(18,150)	(16,176)
Movement in year:		
Current service cost	(1,790)	(1,574)
Employer contributions	858	949
Past service cost	-	(173)
Net interest on the defined (liability)/asset	(266)	(329)
Administration expenses	(22)	(21)
Curtailments or settlements	(108)	-
Actuarial gain or loss	<u>4,267</u>	<u>(826)</u>
Net defined (liability)/asset at 31 July	<u>(15,211)</u>	<u>(18,150)</u>

Asset and liability reconciliation

	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	57,369	55,828
Current service cost	1,790	1,574
Interest cost	853	1,159
Contributions by scheme participants	270	258
Experience gains and losses on defined benefit	(1,063)	(1,814)
Changes in financial assumptions	1,781	1,692
Estimated benefits paid	(1,274)	(1,501)
Past service cost	-	173
Curtailments and settlements	<u>108</u>	<u>-</u>
Defined benefit obligations at end of period	<u>59,834</u>	<u>57,369</u>

Reconciliation of assets

Fair value of plan assets at start of period	39,219	39,652
Interest on plan assets	587	830
Return on plan assets	4,985	(948)
Employer contributions	858	949
Administration expenses	(22)	(21)
Contributions by scheme participants	270	258
Estimated benefits paid	<u>(1,274)</u>	<u>(1,501)</u>
Assets at end of period	<u>44,623</u>	<u>39,219</u>

Wirral Metropolitan College – Notes to the Accounts

22 Related party transactions

Owing 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 £0; (2019-20: £0).

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2019-20, none).

23 Amounts disbursed as agent

Learner support funds

	2021 £'000	2020 £'000
Carried forward	32	71
Funding body grants – bursary support	513	518
Funding body grants – discretionary learner support	380	89
Funding body grants – residential bursaries	-	-
Other funding body grants	149	203
Interest earned	-	-
	<u>1,073</u>	<u>880</u>
Disbursed to students	(1,006)	-831
Transfers	71	13
Administration costs	(39)	-35
	<u>99</u>	<u>28</u>
Balance unspent as at 31 July, included in creditors	<u>99</u>	<u>28</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income (except Discretionary Learner Support which is part of the Adult Education Budget).