

Wirral Metropolitan College

Report and Financial Statements for the year ended 31 July 2023

Wirral Metropolitan College

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Reference and Administrative details

Board of Governors

A full list of Governors is given on page 18 and 19 of these financial statements.

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

Senior management team for 2022-23:

Susan Higginson, Principal and CEO, Accounting Officer (retired 31 July 2023)

Michael Norton, Deputy Principal (resigned 7th April 2023)

Nikki Leising, Interim Finance Director

Philip Jones, Vice Principal Quality Assurance

Christine Carter, Vice Principal Curriculum

Lesley Venables, Clerk to the Corporation

Taking up senior posts in 2023-24

Gill Banks, Principal and CEO, Accounting Officer (started 1 August 2023)

Kevin Williams, Vice Principal Finance & Resources (started 6 November 2023)

Principal and Registered office: 10 Europa Boulevard,
Birkenhead,
CH41 4NT

Professional advisers

External auditors: Wylie & Bisset (Audit) Limited
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
ME1 5ES

Wirral Metropolitan College

STRATEGIC REPORT

Objectives and strategy

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

Legal status

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

Mission

Governors maintained the following mission statement during 2022-2023:

"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

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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.

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 2022/2023 and the achievement of those objectives is addressed below. The targets and Key Performance Indicators (KPIs) are monitored through the year by means of a Balanced Scorecard which is considered at each Board meeting and supported by a rigorous 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 2022/2023 with outcomes now exceeding national rates in specific subjects.

Safeguarding training compliance – Compliance was 99%. (2021/2022 99%)

Internal Audit actions –100% of internal audit actions were closed down after review and approval by 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 2023/2024. 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.

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Financial indicators

16-18 years old numbers and income earned – Contracted numbers for 2022/2023 were 2,346 and the College has achieved 2,338. Although the number is below the enhanced target, it exceeded the actual threshold required for 2022/24.

Apprenticeship income – Earnings for Apprenticeships was £2,073k (2021/22 £1,825k) and fell short of the ambitious £2,338K target set for the year. The College focused on improving apprenticeship enrolments following a drop in 2020/21 and 2021/22 when the apprenticeship enrolments were affected by the Covid pandemic and a reluctance by employers to take on new apprentices.

Adult Skills income – The majority of Adult Skills Income comes from Liverpool City Region allocated funding, which amounted to £5,331K in 2022/2023 and included additional funding for growth.

The non-devolved Adult Education Budget funding achieved in 2022/2023 was £226K (2021/22 £179K) which included traineeship income in 2022/2023 of £49K (2021/2022 £99K). As enrolments for AEB and traineeships were below the 90% threshold, it is expected that there will be clawback in 2023/2024. A provision for this clawback has been included in the financial statements on 31st July 2023.

Higher Education income – Income for 2022/2023 was £1,363K (2021/2022 £1,510K). The current economic climate has seen a reduction in the number of HE enrolments with students choosing employment rather than further study.

Overall income, including capital grant releases, was £28,747K (2021/2022 £25,559K).

Financial Objectives

The College's financial strategic goals are:

- To remain financially stable post-pandemic, whilst implementing a staged approach to property developments.
- To ensure the efficient and effective deployment of the College finances.
- To improve accommodation, learning environments and equipment across the College.
- To ensure there is adequate budgetary provision to recognise and reward both staff and students and celebrate success.
- To support investment in areas of growth by ensuring that all business plans deliver a satisfactory return and that delivery in these areas is reported appropriately, monitored tightly, and controlled.

A series of performance indicators have been agreed to monitor the successful implementation of the goals. Detailed monitoring is undertaken by the Finance and Resources Committee, with regular reports to the full governing body.

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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 grade. The current rating of Outstanding is considered an excellent outcome. It is expected to remain Outstanding in 2023/2024 with a similar score. The College is in a stable position to reinvest its surpluses in improved services for students and maintain an excellent breadth of offer.

FINANCIAL POSITION

Financial results

The College generated an operating surplus of £3,287K before an actuarial pension adjustment in accordance with FRS 102 of £3,302K. After this pension adjustment, Total comprehensive income is £6,589K.

The College has accumulated reserves of £21,454K, (2021/22 £14,865K) including a Local Government Pension Fund curtailed at £NIL, (2021/2022 £(2,769)K) and cash and short-term investment balances of £17,820K (2021/2022 £9,861K).

Tangible fixed asset additions during the year amounted to £1,360K.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/2023 the funding bodies provided 85.5% of the College's total income (2021/2022 85.7%). 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 be given 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 £5,724k (2021/22 £2,876k), the main source of which was the surplus made in the year.

The total net cash inflow of £7,959k (2021/22 inflow £666k) includes a strong surplus for the year and receipt of £3,611K of capital grants.

The college remains debt-free, having paid off its Loan with Barclays in 2021/22.

Reserves Policy

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The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of the 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 £24,534k (2021/22 £14,865k). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2022/23 the College has delivered activity that has produced £23,541k in funding body main allocation funding (2021/22 £20,841k). The College had 2368 16-19 students (2021/22 2368) equating to £15,835K of delivery and £5,492K (2021/22 £4,152K) in relation to adults with a combination of funding streams including grant funded, self-funded and loan funded.

Student achievements

<u>Category</u>	<u>2022/23</u>	<u>2021/22</u>	<u>Change</u>	<u>National Rate</u>
16 –18 years old Retention (including English and Maths)	91.9%	87.5%	4.4%	92.0%
16 –18 years old Retention – English	88.4%	78.6%	9.8%	88.4%
16 –18 years old Retention – Maths	90.2%	79.6%%	10.6%	90.3%
16 –18 years old Achievement (including English and Maths)	78.0%	76.9%	1.10%	86.2%
Adult Achievement	84.8%	89.4%	-4.6%	92.0%
Overall Achievement – Maths	59.7%	69.9%	-10.2%	82.8%

Curriculum developments

Wirral Metropolitan College's objective is 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 2022/23 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 2022/2023 against a falling demographic locally and nationally.

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

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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 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 the third year running, in 2022/2023 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 2023/2024.

**Wirral Metropolitan College is the only College of General Further Education in Wirral and has developed a small but critical higher education (HE) curriculum, to provide seamless pathways to learning from Level 1 to Levels 5/6 and 7. The College's vision 'to be an inclusive, outstanding College' reflects the drive to ensure that the local population, are provided with pathways to Higher Education learning that can lead to rewarding professions and careers. The offer has been reviewed in depth and indications for 2023-24 are that this will lead to growth in students studying teacher training, psychology and sociology. Student numbers maintain a steady position overall moving into 2023/24

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 2022 to 31 July 2023, the College paid 96% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

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Events after the end of the reporting period

There are no post balance sheet events to report.

FUTURE PROSPECTS

Building on recent developments and reviewing Labour Market Intelligence and employer needs the College will continue to develop new areas of curriculum to respond to demand and to support the Liverpool City Region skills priorities. The Wirral Waters campus, at the heart of the Wirral Water regeneration project provides a focus for the team to refocus the curriculum to respond to the need for skills in sustainability and green technologies.

The College is excited to be a key partner in the Birkenhead Town's Deal fund and has refurbished a floor of the Hamilton campus to support increased awareness and engagement for community pathways into education.

The College will prioritise the quality of teaching, learning and assessment and a continued focus on rapid improvement in areas which are underperforming. The College has withdrawn from sub-contracting provision but will focus on strategic partnership going forward which enhance the opportunities and skills development for the borough and wider City Region.

The College is a centre of excellence for provision for learners with SEND and high needs, proven through excellent outcomes and progression. The College has a strategic partnership the Birkenhead 6th Form to ensure that the community has a vocation and technical place-based offer along with high quality academic provision to meet the needs of the community.

The College continues to anticipate and respond positively to changes across the FE sector and LCR and have introduced a more structured and robust curriculum planning model to ensure the College is able to be flexible in its approach to meet demand as it arises.

Capital investment

The College has invested heavily in its estate in recent years following contributions from the Combined Authority and Central Government.

Within 2022-23 the College built a mezzanine floor at the Wirral Waters campus and upgraded facilities and equipment to provide additional teaching space for the T-level qualifications.

The College was awarded £7,707K Capital transformation fund from DfE of which £1,800K was received in May 2023 and the remainder will be received in May 2024. The purpose of this capital funding is to improve the condition of the College's estate based on a previously conducted condition survey. The College will continue to seek opportunities to enhance its estate and maintain its outstanding facilities for learners.

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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
6	4.79

Percentage of time	Number of employees
0%	0
1-50%	5
51-99%	0
100%	0

Total cost of facility time	£3,721.29
Total pay bill	£11,795311.46
Percentage of total bill spent on facility time	0.03%

Going concern

The College has net assets and 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.

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 2022/2023 seeks to present a realistic position in a time of national uncertainty and cost of living. The actual financial position in 2023/2024 will be impacted by:

- Higher energy costs
- Higher staffing salaries to match competitors' offers
- actual enrolment numbers and patterns
- other policy decisions on funding allocations and how far they remain responsive to actual requirements.

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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 2022/2023.

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 £21.4m of net assets (2021/22 £14.9m (£2.7m pension liability)) and no debt. The College made a healthy surplus in 2022-23 for reinvestment in staff and curriculum development, together with the maintenance of the estate. A provision for a non-consolidated pay award was made from the 2022/23 surplus in recognition of the Staff's contribution to achieving the surplus.

People

During 2022/2023 the College employed on average 533 people (424 expressed as full-time equivalents and including agency staff), of whom 290 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 2023/2024.

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 each 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 several voluntary activities to strengthen the area where they live.

Principal risks and uncertainties

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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 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 2022/2023 85.5% (2021/22 85.7%) of the College's income arose from Government funding and in 2023/24 this is expected to be 92%. An agreement was reached with the Treasury to nationally fund colleges by an additional amount to support staffing pay awards and this funding has been added through the 16-19 funding formula, at each funding band.

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.

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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 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 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, particularly at its construction facility. The Wirral Waters construction campus is an exemplar in the sector and a world-class facility.

Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme (LGPS) surplus on the College's Balance Sheet in line with the requirements of FRS 102. 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

In October 2023, our college underwent a comprehensive Ofsted inspection resulting in an overall grade of "requires improvement." Notably, our High Needs provision was distinguished with an outstanding grade. In response to the inspection findings, the senior leadership team has proactively initiated an implementation and monitoring plan. This strategic initiative is designed to expedite the necessary improvements across all facets of our educational offerings, ensuring a swift elevation in the overall quality of student experiences. The commitment to this plan reflects our dedication to providing students with a high-quality education, enabling them to successfully achieve their academic objectives and progress toward fulfilling their career goals and aspirations. Through prudent financial management, we are poised to support these initiatives and fortify our institution's commitment to excellence in education.

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Staffing costs

In 2022/2023 the College has seen fierce competition from other FE colleges for teaching staff, particularly within the construction curriculum areas, where qualified staff are being poached by neighbouring Colleges.

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

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

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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.

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	2021/22 Gender pay gap report (snapshot date 31 March 2021)
Mean gender pay gap	7.63%
Median gender pay gap	3.32%
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	27.6%	72.4%
2	28.2%	71.8%
3	24.4%	75.6%
4 – Upper quartile	49.2%	50.8%

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.

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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.

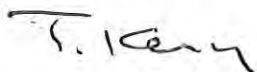
Where reasonable, the College makes adjustments for disabled students to access the College and the curriculum. There are a range of specialist programmes which provide a greater level of support in smaller groups for learners with more complex learning difficulties and/or disabilities. This area was described as outstanding in the 2010 OFSTED Inspection, and this was again confirmed during the 2015 and 2017 and 2023 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 2023 and signed on its behalf by:



Tim Kelly
Chair of governors

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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 2018 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.

College policies, procedures and approval processes were updated to ensure compliance with new requirements following the reclassification on 29th November 2022. The College has established systems and processes to identify and handle transactions, for which DfE is required.

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 2023. 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
Ms L Ali	9 Jun 2021	4 years		External	Board Audit	55%
Mr G Baines	1 Aug 2021 to 31 Jul 2022 Governor from 1 Aug 2022	1 year 4 years		Co-opted External	Board Audit	91%
Ms G Banks	1 Aug 2023	In post		Principal/CEO	Board Finance & Resources Governance & Search	n/a
Ms L Barrow	23 Oct 2019	4 years	31 Jul 2023	External	Board	71%
Mr G Doyle	22 Feb 2016 Reappointed: 1 Aug 2020	4 years 4 years	15 Oct 2023	External	Board Quality & Standards Scrutiny; Remuneration *	45%
Mr I Evans	29 Mar 2023	4 years		Staff	Board	67%
Mrs S Higginson	1 Sept 2012	In post	31 Jul 2023	Principal	Board Governance & Search Finance and Resources	91%
Mr T Kelly	21 Oct 2015 Reappointed: 1 August 2019 2 Sept 2023	4 years 4 years To 31 Dec 2023		External	Board (Chair) Finance & Resources Governance & Search; Quality & Standards Scrutiny; Remuneration	94%
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	Board Remuneration*	75%
Mr P McKeown	1 Aug 2018 Reappointed: 13 Jul 2022	4 years 4 years	31 Jul 2023	External	Board Governance & Search Audit (temp)	70%
Mr I Parkinson	28 Oct 2020	4 years	31 Jul 2023	External	Board Audit	64%
Ms R Penfold	15 Dec 2022	1 year	31 Jul 2023	Student	Board	0%
Ms G Roberts	9 Jun 2021	4 years	30 Sept 2022	External	Board Finance & Resources	0%
Mr P Smith	27 Feb 2019 17 Oct 2023	4 years 4 years		External	Board Finance & Resources	80%

Wirral Metropolitan College

					Quality & Standards Scrutiny	
Ms J Winders	15 Dec 2015 Reappointed: 1 Aug 2019 2 Sept 2023	4 years 4 years To 31 Dec 2023		External	Board (Vice-Chair); Governance & Search; Remuneration Finance and Resources Audit (temp)	93%
Mr S Wrigley	16 Feb 2022	4 years		Staff	Board Curriculum & Standards scrutiny	100%
Ms S Johnson	1 Aug 2018 1 Apr 2020	4 years 4 years	31 Jul 2023	External Co-opted to QSS	Quality & Standards Scrutiny	75%
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, Finance and Resources, Quality & Standards Scrutiny and Remuneration. 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.

Wirral Metropolitan College

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 the Board for ensuring compliance with all applicable procedures and regulations. 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 governors is available on the College website.

Governors are appointed for a term of office not exceeding four years. 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 to encourage effective challenge and scrutiny of management plans and actions.

Reappointments are only made after consideration by the Governance & Search Committee of issues such as individual attendance and contribution, which then makes a recommendation to the full Board.

The existing Chair and Vice-Chair of the Corporation were appointed for a 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 2022/2023 were presented to the Board at its meeting on 19th October 2023 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.

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Remuneration Committee

Throughout the year ending 31 July 2023, the College's Remuneration Committee comprised the Chair and Vice Chair (ex officio) and two other eligible members of the Board of Governors. The Chair of the Board is not the Chair of the Committee.

Details of senior postholder remuneration for the year ended 31 July 2023 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 may also include 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 2023, the members of the Committee and their attendance records are shown below:

Committee member	Meetings attended
Mr G Baines (External Governor) Committee Chair	4
Ms L Ali (External Governor)	3
Mr I Parkinson (External Governor)	3
Ms J Winders (External Governor)	1
Mr P McKeown (External Governor)	1

Wirral Metropolitan College

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which 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 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. 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. The College's approach to management accounting and cashflow management is 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

Wirral Metropolitan College

- Clearly defined capital investment control guidelines
- The adoption of formal project management disciplines, where appropriate

Wirral Metropolitan College has appointed an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are approved 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.

The internal audit assurance service operated in accordance with the requirements of the Post-16 Audit Code of Practice.

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 the areas to 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.

Wirral Metropolitan College

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 December 2023 meeting the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior leadership team and Internal Audit and taking account of events since 31 July 2023.

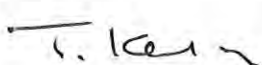
Based on the advice of the Audit Committee and the Principal, the Corporation is of the opinion that the College has an adequate and effective assurance arrangements, assurance over sub-contracting, the framework for governance, risk management and control processes and, and has fulfilled its statutory 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 2023
and signed on its behalf by:

Signed



Tim Kelly

Chair of governors

Signed



Gill Banks

Principal/Accounting Officer

Wirral Metropolitan College

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

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

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

I confirm that the following instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered and have been notified to ESFA. If any further instances are identified after the date of this statement, these will be notified to ESFA:

1. Internal protocol was not followed around the procurement and due diligence of the sub-contracting provision, which resulted in learners being removed from ILR and funding claims retracted in 22-23.



Gill Banks
Principal/Accounting officer
Date

Statement of the chair of governors

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



Tim Kelly
Chair of governors
Date

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 strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SOPR, that 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 adequate 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 and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the

Wirral Metropolitan College

delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing 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 2023 and signed on its behalf by:



Tim Kelly

Chair of governors

Wirral Metropolitan College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of Wirral Metropolitan College (the 'College') for the year ended 31 July 2023 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 2023, 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 2023

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 2023

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 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 2022 to 2023.
- Compliance with the requirements of the Department for Education, Education & Skills Funding Agency and the Office for Students; and
- Compliance with the requirements of the Office for Standards in Education

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Statement of Recommended Practice - Accounting for Further and Higher Education 2019 and the Post-16 Audit Code of Practice 2022 to 2023.

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INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WIRRAL METROPOLITAN COLLEGE FOR THE YEAR ENDED 31 JULY 2023

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

- Posting inappropriate journal entries.

Audit response to the risks identified;

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 2023

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

Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Date: 14th December 2023

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 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 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the 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, except for the matters listed below, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Matter 1: Internal protocol was not followed around the procurement and due diligence of the sub-contracting provision, which resulted in learners being removed from ILR and funding claims retracted in 22-23.

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

Date: 14th December 2023

Wirral Metropolitan College – Statement of Comprehensive Income

		Year ended 31 July	Year ended 31 July
		2023 £'000	2022 £'000
Income	Notes		
Funding Body grants	2	24,575	21,922
Tuition fees and education contracts	3	1,885	2,084
Other grants and contracts	4	1,528	1,313
Other income	5	421	219
Investment income	6	337	21
		<hr/>	<hr/>
Total income		28,746	25,559
Expenditure			
Staff costs	7	17,429	15,828
Other operating expenses	8	6,098	6,678
Depreciation	10	1,769	1,401
Interest and other finance costs	9	164	301
		<hr/>	<hr/>
Total expenditure		25,460	24,209
		<hr/>	<hr/>
Surplus/(Deficit) before other gains and losses		3,286	1,350
loss on disposal of assets		-	-
		<hr/>	<hr/>
Surplus/(Deficit) before taxation		3,286	1,350
Taxation		-	-
Surplus/(Deficit) for the year		3,286	1,350
		<hr/>	<hr/>
Unrealised surplus on revaluation		-	-
Revaluation of defined benefit pension liability	21	3,303	13,816
Total Comprehensive Income		6 589	15 166
		<hr/>	<hr/>
Represented by:			
Restricted comprehensive Income		-	-
Unrestricted comprehensive Income		6,589	15,166
		<hr/>	<hr/>
Total comprehensive income		6,589	15,166
		<hr/>	<hr/>

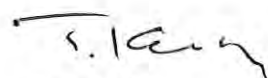
**Wirral Metropolitan College –
Statement of Changes in Reserves**

	Income and Expenditure Account	Revaluation reserve	Restricted reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	(301)	-	-	(301)
Surplus from the income and expenditure account	1,350	-	-	1,350
Other comprehensive income	13,816	-	-	13,816
Transfers between revaluation and income and expenditure reserves	-	-	-	-
Total comprehensive income for the year	<u>15,166</u>	<u>-</u>	<u>-</u>	<u>15,166</u>
Balance at 31 July 2022	14,865	-	-	14,865
Surplus from the income and expenditure account	3,287	-	-	3,287
Other comprehensive income	3,302	-	-	3,302
Transfers between revaluation and income and expenditure reserves	-	-	-	-
Total comprehensive income	<u>6,589</u>	<u>-</u>	<u>-</u>	<u>6,589</u>
Balance at 31 July 2023	<u><u>21,454</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>21,454</u></u>

Wirral Metropolitan College – Balance Sheet as at 31 July

		2023 £'000	2022 £'000
Non Current assets	Notes		
Tangible fixed assets	10	26,929	27,336
		<u>26,929</u>	<u>27,336</u>
Current assets			
Trade and other receivables	11	526	932
Cash and cash equivalents	16	17,820	9,861
		<u>18,346</u>	<u>10,793</u>
Creditors – amounts falling due within one year	12	(4,718)	(3,746)
Net current assets		<u>13,628</u>	<u>7,048</u>
Total assets less current liabilities		40,557	34,383
Creditors – amounts falling due after one year	13	(17,101)	(14,571)
Provisions			
Defined benefit obligations	15	-	(2,769)
Other provisions	15	(2,003)	(2,177)
Total net assets		<u>21,453</u>	<u>14,865</u>
Unrestricted reserves			
Income and expenditure account		21,454	14,865
Revaluation reserve		-	-
Total unrestricted reserves		<u>21,454</u>	<u>14,865</u>
Total reserves		<u>21,454</u>	<u>14,865</u>

The financial statements on pages 29 to 55 were approved and authorised for issue by the Corporation on 14th December 2023 and were signed on its behalf on that date by:



Tim Kelly
Chair



Gill Banks
Principal/Accounting Officer

Wirral Metropolitan College – Statement of Cashflows

	Notes	Year ended 31 July	Year ended 31 July
		2023	2022
		£'000	£'000
Cash inflow from operating activities			
Surplus for the year		3,286	1,350
Adjustment for non cash items			
Depreciation		1,769	1,401
Decrease/(increase)in debtors		406	(528)
Increase in creditors due within one year		1,257	583
(Decrease) in provisions		(174)	(186)
Pensions costs less contributions payable		534	1,374
Release of Deferred Capital Grants		(1,034)	(1,122)
Adjustment for investing or financing activities			
Investment income		(337)	(21)
Interest payable		13	25
		5,720	2,876
Net cash flow from operating activities			
Cash flows from investing activities			
Investment income		-	-
Payments made to acquire fixed assets		(1,360)	(1,010)
Receipt of deferred capital grants		3,611	488
		2,251	(522)
Cash flows from financing activities			
Interest paid		(13)	(25)
Repayments of amounts borrowed		-	(1,683)
		(13)	(1,708)
Increase in cash and cash equivalents in the year			
		7,958	666
Cash and cash equivalents at beginning of the year	16	9,861	9,195
Cash and cash equivalents at end of the year	16	17,820	9,861

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 2022 to 2023* 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 £13,628k, this is after accounting for deferred capital grants of £1,020k and accrued holiday pay of £368k for which the College does not expect to require cash out flows within the next 12 months.

The College currently has no outstanding loans.

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 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.

Wirral Metropolitan College – Notes to the Accounts

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.

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.

Wirral Metropolitan College – Notes to the Accounts

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.

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

Wirral Metropolitan College – Notes to the Accounts

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 may be 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.

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.

Wirral Metropolitan College – Notes to the Accounts

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 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

Wirral Metropolitan College – Notes to the Accounts

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 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Wirral Metropolitan College – Notes to the Accounts

2 Funding Body grants

	Year ended 31 July	Year ended 31 July
	2023	2022
	£'000	£'000
Recurrent grants		
ESFA- 16-18	15,835	14,643
ESFA - adult education budget	161	179
LCR - adult education budget	5,331	3,973
ESFA -Apprenticeships	2,073	1,825
OfS (Higher Education)	96	146
Other funding body grants		
ESFA -other	45	57
Specific Grants		
COVID-19 related funding	0	18
Releases of government capital grants	1,034	1,081
	<u>24,575</u>	<u>21,922</u>
Total	<u>24,575</u>	<u>21,922</u>

In accordance with OfS Regulatory Advice 9, paragraph 32 the

	2023	2022
	£'000	£'000
OfS Grant and Fee Income		
Grant Income from OfS	96	166
Grant Income from Other Bodies	24,479	21,756
	<u>24,575</u>	<u>21,922</u>
Total	<u>24,575</u>	<u>21,922</u>

3 Tuition fees and education contracts

	2023	2022
	£'000	£'000
Fees for FE loan supported courses	567	645
Fees for HE loan supported courses	1,267	1,364
Commercial Income	51	75
	<u>1,885</u>	<u>2,084</u>
Total	<u>1,885</u>	<u>2,084</u>

Wirral Metropolitan College – Notes to the Accounts

4 Other grants and contracts	Year ended 31 July	Year ended 31 July
	2023 £'000	2022 £'000
Other grants and contracts	<u>1,528</u>	<u>1,313</u>
Total	<u>1,528</u>	<u>1,313</u>
5 Other income	2023 £'000	2022 £'000
Non-government capital grants	0	41
Miscellaneous income	<u>421</u>	<u>178</u>
Total	<u>421</u>	<u>219</u>
6 Investment income	2023 £'000	2022 £'000
Other interest receivable	<u>337</u>	<u>21</u>
	<u>337</u>	<u>21</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 2023 No.	Year ended 31 July 2022 No.
Teaching staff	290	268
Non-teaching staff	134	125
	<u>424</u>	<u>393</u>
Staff costs for the above persons		
	2023	2022
	£'000	£'000
Wages and salaries	12,388	10,778
Social security costs	1,066	902
Other pension costs	2,705	3,229
	<u>16,159</u>	<u>14,909</u>
Payroll sub total		
Contracted out staffing services	1,187	881
	<u>17,346</u>	<u>15,790</u>
Apprenticeship Levy	46	38
	<u>17,392</u>	<u>15,828</u>
Fundamental restructuring costs - contractual	37	0
Total staff Costs	<u>17,429</u>	<u>15,828</u>

The Corporation has salary sacrifice arrangements in place for the cycle to work scheme.

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	5	5
	<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	Year ended	Year ended	Year ended
	31 July	31 July	31 July	31 July
	2023	2022	2023	2022
	No.	No.	No.	No.
£60,001 to £65,000	-	-	1	3
£65,001 to £70,000	-	-	3	2
£70,001 to £75,000	-	-	2	-
£75,001 to £80,000	-	2	-	-
£80,001 to £85,000	2	-	-	-
£85,001 to £90,000	-	-	-	-
£90,001 to £95,000	1	1	-	-
£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 £130,001	-	-	-	-
£130,001 to £135,000	-	-	-	-
£135,001 to £140,000	-	1	-	-
£140,001 to £145,000	1	-	-	-
	<u>4</u>	<u>4</u>	<u>6</u>	<u>5</u>

Key management personnel emoluments are made up as follows:

	2023	2022
	£'000	£'000
Basic salary	414	400
Performance related pay and bonus	-	-
Benefits in kind	-	-
	<u>414</u>	<u>400</u>
Pension contributions	91	85
Total emoluments	<u>505</u>	<u>485</u>

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

	2023	2022
	£'000	£'000
Basic salary	143	136
Performance related pay and bonus	-	-
Benefits in kind	-	-
	<u>143</u>	<u>136</u>
Pension contributions	<u>30</u>	<u>27</u>

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	Year ended 31 July
	2023 £'000	2022 £'000
Teaching costs	874	1,128
Non-teaching costs	4,345	3,753
Premises costs	879	1,797
Total	6,098	6,678
	2023 £'000	2022 £'000
Access and Participation Expenditure		
Access Investment	-	-
Bursaries	-	-
Disability Support	-	-
Research and evaluation for participation activities	-	-
	0	0
Other operating expenses include:	2023 £'000	2022 £'000
Auditors' remuneration:		
Financial statements audit	23	23
Other services provided by financial statements auditor	6	2
Internal audit fees	29	22
Hire of assets under operating leases	-	-

Wirral Metropolitan College – Notes to the Accounts

9 Interest and other finance costs	Year ended	Year ended
	31 July	31 July
	2023	2022
	£'000	£'000
On bank loans, overdrafts and other loans:	<u>13</u>	<u>25</u>
	13	25
Enhanced pension finance costs	72	38
Pension finance costs (note 21)	<u>79</u>	<u>238</u>
Total	<u>164</u>	<u>301</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	Long leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2022	20,810	10,457	11,130	260	42,657
Additions	-	-	622	738	1,360
Reclassification of asset category	-	-	-	-	-
At 31 July 2023	20,810	10,457	11,752	998	44,017
Depreciation					
At 1 August 2022	6,379	1,444	7,496	-	15,319
Charge for the year	527	193	1,050	-	1,769
Reclassification of asset category	-	-	-	-	-
At 31 July 2023	6,906	1,638	8,546	0	17,088
Net book value at 31 July 2023	13,905	8,820	3,206	998	26,929
Net book value at 31 July 2022	14,430	9,012	3,634	260	27,336

Land and Buildings are valued at Historical Cost.

Wirral Metropolitan College – Notes to the Accounts

11 Trade and other receivables	Year ended	Year ended
	31 July	31 July
	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	111	8
Prepayments and accrued income	398	924
Other debtors	17	-
	<hr/>	<hr/>
Total	526	932
	<hr/> <hr/>	<hr/> <hr/>

Wirral Metropolitan College – Notes to the Accounts

12 Creditors—amounts falling due within one year

	Year ended 31 July	Year ended 31 July
	2023	2022
	£'000	£'000
Trade payables	787	577
Other taxation and social security	552	7
Accruals and deferred income	362	787
Accrued holiday balances	368	298
Deferred income—government capital grants	1,020	1,075
Deferred income—other capital grants	0	0
Capital grants held on account	73	0
Other amounts held on account	1,026	722
Amounts owed to the Skills Funding Agency	139	0
Pay award provision	391	280
Total	4,718	3,746

13 Creditors—amounts falling due after one year

	2023	2022
	£'000	£'000
Deferred income—government capital grants >1 yr	17,100	14,571
Deferred income—other capital grants >1 yr	0	0
Total	17,100	14,571

Wirral Metropolitan College – Notes to the Accounts

14 Maturity of debt

(a) Bank loans and overdrafts

There are no outstanding Bank loans or overdrafts

Bank loans were repaid in full March 2022 and security held by the bank released.

(b) Finance leases

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
In one year or less	-	1
Between two and five years	-	-
In five years or more	-	-
Total	-	1

Wirral Metropolitan College – Notes to the Accounts

15 Provisions

	Defined Benefit Obligations £'000	Enhanced pensions £'000	Other £'000	Total £'000
At 1 August 2022	<u>2,769</u>	<u>2,177</u>	<u>-</u>	<u>4,946</u>
Expenditure in the period	-	-	-	-
Transferred to income and expenditure account	<u>(2,769)</u>	<u>(174)</u>	<u>-</u>	<u>(2,943)</u>
At 31 July 2023	<u>-</u>	<u>2003</u>	<u>0</u>	<u>2,003</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:

	2023	2022
Inflation Rate	2.80%	2.90%
Interest rate	5.00%	3.30%

16 Cash and cash equivalents

	At 1 August 2022 £'000	Cash flows £'000	Other changes £'000	At 31 July 2023 £'000
Cash and cash equivalents	9,861	7,959	-	17,820
Overdrafts	-	-	-	-
Total	<u>9,861</u>	<u>7,959</u>	<u>-</u>	<u>17,820</u>

17 Capital commitments

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Commitments contracted for at 31 July	<u>-</u>	<u>1,075</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	Year ended 31 July
	2023	2022
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Other		
Not later than one year	-	12
Later than one year and not later than five years	-	1
later than five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>13</u>

19 Contingencies

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 TPS was at 31 March 2020 and of LGPS 31 March 2016.

	Year ended 31 July	Year ended 31 July
	2023 £'000	2022 £'000
Total pension cost for the year		
Teachers Pension Scheme: contributions paid	1,941	1,292
Local Government Pension Scheme:		
Contributions paid	983	827
FRS 102 (28) charge	<u>456</u>	<u>1,136</u>
Charge to the Statement of Comprehensive Income	1,439	1,963
Enhanced pension charge to Statement of Comprehensive Income	(72)	(18)
	<u> </u>	<u> </u>
Total pension cost for the year	<u>3,308</u>	<u>3,237</u>
Teachers' Pension Scheme		

Wirral Metropolitan College – Notes to the Accounts

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The pension costs paid to TPS in the year amounted to £1,940,325 (2022: £1,741,876)

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 2023 was £1,313,000, of which employer's contributions totalled £985,000 and employees' contributions totalled £328,000. The agreed contribution rates for future years are 20.8 % for employers and range from 5.5% to 12.5% 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 2016

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	4.20%	4.20%
Future pensions increases	2.80%	2.80%
Inflation assumption (CPI)	2.70%	2.70%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2023	At 31 July 2022
	years	years
<i>Retiring today</i>		
Males	20.8	20.9
Females	23.3	24.0
<i>Retiring in 20 years</i>		
Males	22.1	22.4
Females	25.1	25.9

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 2023	31 July 2023 £'000	31 July 2022	31 July 2021 £'000
Equities	45.5%	19,655	37.0%	17,009
Government bonds	13.2%	5,702	21.7%	9,976
Other bonds	4.1%	1,771	8.1%	3,724
Property	10.5%	4,536	8.2%	3,770
Cash	2.7%	1,166	5.2%	2,390
Other	24.0%	10,368	19.8%	9,102
Total market value of assets		43,198		45,971
Weighted average expected long term rate of return	-6.03%		3.02%	
Actual(loss)/return on plan		(2,773)		1,348

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

	2023 £'000	2022 £'000
Fair value of plan assets	43,198	45,971
Present value of plan liabilities	(40,118)	(48,740)
Present value of unfunded liabilities		
Net pensions asset/(liability) (note 15)	3,080	(2,769)

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost	1,414	1,938
Past service cost	0	-
Total	1,414	1,938
Amounts included in investment income		
Net interest (cost)	(79)	(238)
	(79)	(238)
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	(1,393)	2,071
Experience gains arising on defined benefit obligations	3086	3,475
Changes in assumptions underlying the present value of plan liabilities		-
Amount recognised in Other Comprehensive Income	1,693	5,546

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

	2023	2022
	£'000	£'000
(Deficit) in scheme at 1 August	(2,769)	(15,211)
Movement in year:		
Current service cost	(1,414)	(1,938)
Employer contributions	985	825
Past service cost	0	-
Net interest on the defined (liability)/asset	(79)	(238)
Administration expenses	(26)	(23)
Curtailments or settlements	0	-
Actuarial gain	6,383	13,816
Curtailments or settlements	(3,080)	-
Net defined (liability)/asset at 31 July	-	(2,769)

Asset and liability reconciliation

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	48,740	59,834
Current service cost	1,414	1,938
Interest cost	1,680	946
Contributions by scheme participants	328	284
Experience gains and losses on defined benefit	2,068	3,069
Changes in financial assumptions	(12,345)	(15,521)
Estimated benefits paid	(1,767)	(1,810)
Past service cost	-	-
Curtailments and settlements	-	-
Defined benefit obligations at end of period	40,118	48,740

Reconciliation of assets

Fair value of plan assets at start of period	45,971	44,623
Interest on plan assets	1,601	708
Return on plan assets	(3,894)	1,364
Employer contributions	985	825
Administration expenses	(26)	(23)
Contributions by scheme participants	328	284
Estimated benefits paid	(1,767)	(1,810)
Assets at end of period	43,198	45,971

Wirral Metropolitan College – Notes to the Accounts

22 Related party transactions

Due to the nature of the College's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £0; (2022-23: £0).

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2021-22, none).

23 Amounts disbursed as agent

Learner support funds

	2023 £'000	2022 £'000
Brought forward from prior years	238	16
Funding body grants – bursary support	493	431
Funding body grants – discretionary learner support	465	445
Funding body grants – residential bursaries		-
Other funding body grants	296	264
Interest earned		-
	1,492	1,156
Disbursed to students	1,376	858
Transfers	0	8
Administration costs	57	52
	59	238
Balance unspent as at 31 July, included in creditors	59	238

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).

