CITY OF WOLVERHAMPTON COLLEGE

Report and Financial Statements

Year Ended 31 July 2024

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

Key management personnel are defined as members of the College Executive Team and were represented by the following in 2023/24:

Malcolm Cowgill – Principal and CEO; Accounting Officer (until 31 July 2024)
Louise Fall – Deputy Principal
Peter Merry - Deputy Chief Executive
Lynn Parker – Assistant Principal
Michael Dixon – Assistant Principal
Andrew Woodford – Director of Finance (until 15 October 2023)
Paul Davies – Director of Finance (from 1 February 2024)

Board of Governors

A full list of Governors is given on pages 20 to 22 of these financial statements.

Mrs A Buick is Head of Governance (Clerk to the Board of Governors)

Professional advisers

Financial statements auditors and reporting accountants:

Bishop Fleming LLP
Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Internal auditors:

TIAA Limited
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

Bankers:

Barclays Bank Plc
Queens Square
Wolverhampton
WV1 1DS

Solicitors:

FBC Manby Bowdler LLP, George House, St. John's Square, Wolverhampton, WV2 4BZ
Eversheds Sutherland, 115 Colmore Row, Birmingham, B3 3AL
DAC Beachcroft, Tricorn House, 51-53 Hagley Road, Birmingham, B16 8TP

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Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2024.

Legal status

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

The Corporation was established as Wulfrun College on 1 April 1993, under the Further and Higher Education Act 1992 for the purpose of conducting Wulfrun College. By order of the Secretary of State for Education, the Corporation changed its name to Wolverhampton College on 1 October 1999, which was subsequently changed to City of Wolverhampton College on 1 June 2001.

On 3 June 2019, City of Wolverhampton College Enterprises Limited was incorporated with City of Wolverhampton College owning 100% of the Share Capital. Accordingly, the financial results for the College and Enterprises have been consolidated to form group financial statements.

Mission, vision and values

The Corporation maintains responsibility for the overall college mission, vision and values which are reviewed at least every three years and underpinned by detailed policies and an overall strategic framework.

Purpose

"Defining Futures"

Values

The review of the strategic plan identified four key areas each with four distinct areas of focus:

- **Student Engagement:** We Value Students
- **Student Success:** We Value Success & Progression
- **Business Success:** We Value our Sustainable Business
- **People Engagement:** We Value Role Models

Student Engagement encompasses Marketing, Student Recruitment, Student Support Services including Safeguarding, Quality Assurance and Improvement and Business Learning Technologies.

Student Success includes Curriculum Development, Right Student, Right Course, Teaching, Learning & Assessment and Progress & Destinations.

Business Success covers Financial Management, Estates, Health, Safety and Environment, Funding and Compliance and Information Technology.

People Engagement incorporates Culture, Change and Wellbeing, People Development and Reward & Recognition.

Report of the Governing Body *(Continued)*

Public Benefit

City of Wolverhampton College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 20 to 22.

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 support systems
- Links with employers, industry and commerce

Financial Notices to Improve

In June 2012, the SFA (Skills Funding Agency) issued the College a Financial Notice to Improve (FNTI). The FNTI was a consequence of the College's Inadequate SFA financial health Grade in 2010/11. Financial health is based upon three Key Performance Indicators, as applied to all FE colleges.

Strong underlying financial performance in recent years, combined with repayment of commercial debt and restructuring of DfE debt in the College achieving Good financial health in 2022/23. The FNTI was formally removed on 26 April 2024.

Financial objectives

The College's financial objectives are:

- to maintain long term financial stability
- to successfully resolve all the issues covered by the outstanding Financial Notice to Improve
- to continue to invest in teaching and learning resources, and the College estate to secure that stability and provide a first class environment for learners, staff and broader stakeholders.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

Performance indicators

The college measures key performance indicators that cover its key strategic objectives. Progress against each of the indicators is provided at the Board of Governors.

The College is committed to observing the importance of sector measures to appraise its performance. The College is required to complete the annual Finance Record for the ESFA which determines its financial health grading. The Governing Body have self-assessed the College's Financial Health as Good. Through its purpose of 'defining futures', the College aims to provide students and apprentices with a high-quality education which develops a relevant set of skills, knowledge and behaviours that lead to sustained positive destinations and improves life chances. The Governing Body is committed to addressing high levels of youth unemployment and raising levels of educational attainment in Wolverhampton and surrounding areas.

Report of the Governing Body *(Continued)*

Student, apprentice and employer satisfaction levels remain very high. During 2023/24, 90% of students say they are proud to be a City of Wolverhampton student and 94% of learners state that they are happy with the quality of teaching and learning, and the course is meeting their needs.

The College hosts its own survey for employers. 84% of respondents stated that they would recommend the College, with 84% of respondents stating that the training received prepared apprentices for the needs of the workplace.

- **Learner numbers and achievement of funding body targets**

  Performance against the funding bodies' key classroom-based contracts was as follows:

	2023/24		2022/23	
	Contract £'000	Actual £'000	Contract £'000	Actual £'000
16-19 (and 19-24 High Needs)*	13,661	14,333	11,836	12,029
Adult Education Budget – ESFA	918	990	840	918
Adult Education Budget – WMCA	14,447	14,605	9,532	9,614

  *Note – the actual performance is reported as per final claim documents. Over-performance for 16-19 provision is not funded in-year but does influence funding settlements for future years.

- **Learner Success Rates**

  Most students achieve their qualifications and more do so than those in similar Colleges nationally. The proportion of students who achieve their qualifications at the College continues to be high (overall achievement 92.7%). This outcome demonstrates a sustained position of high achievement rates over the last four years.

- **Develop a Highly Engaged and Skilled Workforce**

  In 2023/24 staff turnover was 18.14%, below the College's target of 22% (a 30.86% decrease on the previous year's staff turnover). Annualised sickness absence was 4.98% against an annual target of 4% (a 1.06% reduction on the previous year.

- **Employer Engagement**

  The College continues to lead in the engagement of employers in training and has been commended in its drive to shape the curriculum to reflect the changing requirements of employers. This is reflected in the very high employer satisfaction survey results quoted above.

Report of the Governing Body *(Continued)*

FINANCIAL PERFORMANCE

Financial Position

The College generated a consolidated deficit on continuing operations before other gains and losses in the year of £1,294,000 *(2023: deficit £931,000)* before Revaluation Reserve release of £1,811,129 *(2023: £187,000),* with total comprehensive income of £1,056,000 *(2023:* £16,434,000*)*.

	2024 £'000	2023 £'000
Surplus/(Deficit) on continuing operations after depreciation of assets at valuation and tax	(1,294)	(931)
Revaluation reserve release	1,811	187
FRS 102 (28) pension adjustments	(345)	1,064
Profit on disposal	-	(21)
Restructuring Costs	188	407
Historical cost surplus / (deficit) before FRS 102 pension adjustments and restructuring costs	**360**	**706**

As shown above, the College returned a historic cost surplus of £360,000 *(2023: £706,000)*.

Within 2023/24, the College incurred staffing restructuring costs of £188k *(2023: £407k*) relating to a total of 14 leavers *(2023: 25 leavers)*. The Local Government Pension Scheme (LGPS) FRS 102 valuation was received from the Scheme Actuary in August 2024. This resulted in a credit to the Statement of Comprehensive Income of £345k *(2023: charge* £1,064k*)* and actuarial gains of £2,520k *(2023: £17,205k)*, whilst the Balance Sheet net liability was reduced to £nil *(2023: £nil)* (see note 25). This movement is largely a result of changes in assumptions around inflation and demographics. The balance of £2,350k *(2023: £17,365k)* in the Statement of Comprehensive Income and Expenditure includes a value of £170k *(2023: £160k)* relating to the College's Enhanced Pension Scheme.

At the balance sheet date, the Group has accumulated reserves of £6,875k, *(2023: (£8,684k)* with an overall asset in respect of Local Government Pension Scheme as capped at £nil *(2023: £nil),* and group cash and short-term investment balances of £5,686k *(2023: £3,833k)*. The College aims to accumulate reserves and cash balances to assure sufficient working capital and allow capacity for unforeseen events. The current ratio of 1.92 *(2023: 1.59)* .

Tangible fixed asset additions during the year amounted to £1,627k *(2023: £1,329k)*. This was split between land and buildings acquired of £403k *(2023: £842k),* and equipment purchased of £999k *(2023: £435k*). Assets under construction of £226k *(2023: £52k)* related to a wide range of small projects as well as the progression of the overall Campus Transformation ambitions, with the College benefitting substantially from £352k of Capital Grant Funding from the ESFA in year.

The College continues to work closely in partnership with colleagues at Wolverhampton City Council to deliver the vision for the City Learning Quarter (CLQ). Funding required to deliver the CLQ project has been secured with a scheduled opening date of September 2025. A new building at the Wellington Road Campus to accommodate Motor Vehicle and Engineering provision displaced from its current home at the Paget Road Campus, the Advanced Technology and Automotive Centre (ATAC), opened to learners in September 2024. The ATAC was fully funded by the West Midlands Combined Authority. The College's existing Paget Road campus is scheduled for disposal in the 2025/26 academic year. Both the CLQ and ATAC projects will be transferred to the College on completion and recognised as assets on the College's balance sheet.

Report of the Governing Body *(Continued)*

The College has significant reliance on the education sector funding bodies for its principal source of funding, largely from recurrent grants. In 2023/24 FE funding bodies provided 92.3% of the College's total income *(2023: 89.7%)*.

Pension Obligations

A key element of the overall financial position of the College is the long-term affordability of its pension obligations to employees. Successive significant increases in the College's Local Government Pension Scheme deficit had resulted in significant pressure on the College's Balance Sheet, giving rise to overall net liabilities. Following the 2023 triennial valuation the College's primary contribution rate raised from 20.6% to 21.8%, with the requirement to make fixed secondary additional repayments removed (£154k in 2022/23). The net impact of the primary and secondary rate changes resulted in like-for like savings. The 2023/24 annual year-end actuarial valuation continues to reflect a net pension asset for the College. As this is not an asset that the College can realise, neither an asset nor liability is reflected in these financial statements.

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.

Since re-financing the long-term debt of the College in July 2023 there have been no further amendments to borrowing.

Cash flows and liquidity

A £3,751k *(2023: £1,581k)*, net cash inflow from operating activities has further improved which is reflective of the ongoing efforts to drive long term sustainability. Nonetheless, the size of the College's total borrowing inevitably places pressure on the College's cash flows which are managed closely to ensure all liabilities are met. The loans in place with the DfE are on a variable rate, pegged to the Public Works Loans Board rate on 1 April each year, with the total value payable each year £800,000 (inclusive of capital and interest). Overall levels of cash increased from £3,833k to £5,686k *(2023: from £1,832k to £3,833k)* within the year, with positive cash generation compounded by capital grant funding paid in advance of defrayal.

Reserves Policy

The College recognises that it is significantly dependent on government funding which is not guaranteed. It is crucial therefore to ensure there are sufficient reserves to support the College while other sources of income are secured, and fundraising is considered, to allow the College to meet its obligations to staff and service users, if existing sources of income are lost.

To assure ongoing sustainability, the Board of Governors has targeted to keep cash days in line with sector benchmarks, thus allowing operations to continue and ensuring:

- staff can continue to provide education to learners.
- there is time to secure new funding.
- students are supported to move on to other providers where appropriate.
- sufficient resources are retained to meet its liabilities as they fall due.

The Reserves will continue to be built up from the unrestricted (earned) income.

Report of the Governing Body *(Continued)*

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Curriculum developments

The College engages well with stakeholder groups to establish a clear understanding of local, regional and national skills needs. In particular, the College works proactively with the Wolverhampton Education, Skills and Employment Board. This board acts to bring stakeholders together to implement a strategy to upskill the local communities in Wolverhampton to meet identified skills requirements.

The College has designed a broad curriculum which meets the needs of the local economy. The curriculum is clear in its purpose and is ambitious for all students, including those with Education, Health and Care Plans (EHCPs). As a result, students develop skills, knowledge and behaviours which enable them to be successful in the future. Leaders engage effectively with a range of employers, stakeholders and partners to ensure that the curriculum content is appropriate and aligns with current industry trends and practices.

The College ensures that nearly all curriculums are appropriately sequenced. This helps students to build on their knowledge sequentially, and to retain the understanding of key concepts over time.

Many students have low levels of prior educational achievement. Teachers have a clear understanding of learners' starting points and use this information effectively in order to plan learning in nearly all cases to ensure students are able to move securely into the labour market or other positive destinations including progression onto higher levels of education.

Leaders are aware of the high unemployment rates within the City and understand the development of skills that are needed to gain and sustain employment, which is tested through a robust curriculum planning process.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's policy is to pay suppliers as debts fall due. On the rare occasion where this is not possible the College aims to communicate this with suppliers to arrange a mutually agreeable payment date.

Future prospects

The College continues to work closely with its stakeholders in order to assure its long-term future prospects. The College's relationship with City of Wolverhampton Council continues to be strong and has been key to realising Campus Transformation and long-term sustainability. With both high levels of success in the classroom and growing learner numbers, it is envisaged that enhanced facilities available for learners will enable the College to meet the demands of forthcoming demographic growth. Political support for Further Education and the demand for skills locally is high.

The College considers it is appropriate to use the "going concern" assumption having due regard to best practice developments in the UK Corporate Governance Code 2014 in respect of going concern and risk management reporting. With the collective ongoing support of stakeholders, including Wolverhampton City Council, West Midlands Pension Fund, the ESFA and the West Midland Combined Authority, the College believes it will be able to continue in operation and meet its liabilities, taking account of the current position and principal risks for the foreseeable future.

Report of the Governing Body *(Continued)*

RESOURCES

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

The modernisation of the estate has proven to be a key factor in the development of the College. There is a proven link between the investment and participation levels which underpins the strategy of campus transformation.

Property

The College's estate consists of two main campuses based at Wellington Road in Bilston and Paget Road to the West of the City of Wolverhampton. The Wellington Road campus was redeveloped in the early 2000s on the site of the old Bilston College and is home to the College's Construction, Early Years, Futures, Health and Social Care, ICT, Public Services, Sport and Travel and Tourism curriculum areas. In July 2024, construction completed on a new Advanced Technical and Automotive Centre providing state of the art Engineering, Advanced Manufacturing and Automotive facilities. Operations moved across to the Wellington Road campus from Paget Road during the summer of 2024 in readiness for teaching and learning in September 2024. Capital grant funding for this project has been provided by the WMCA through the council.

The Paget Road campus was constructed in the 1960s and resides within an 18-acre site that accommodates provision including A-Levels, Business, Creative, Education Studies, and Hair and Beauty. In partnership with the City Council, construction is underway to develop a new campus, 'City Learning Quarter' (CLQ), to provide first class facilities for the delivery of provision that will be displaced from Paget Road. This project is anticipated to be completed in autumn 2025. The CLQ will occupy, in part, the Metro One building that is currently held on a long term leasehold basis.

On occupation of the CLQ, the College intends to dispose of the Paget Road site. The College also owns the freehold to part of the site currently occupied by the Newhampton Arts Centre charity that is expected to be disposed of in the near future.

Additionally, specialist delivery across a number of sectors including Electric Vehicle, Polymer industries, Rail and Civil Engineering provision takes place via leased premises at Bentley Bridge in Wolverhampton, Stafford Park in Telford, Black Country Innovative Manufacturing Organisation (BCIMO) in Dudley and Aston in Birmingham.

Financial

The Group has £9.989 million of net assets (with the Local Government Pension Scheme liability at £nil) and long-term liabilities of £21.582 million (including £9.372 million of Government capital grants).

People

The College group employs 598 *(2023: 588)* people (expressed as average headcount), of whom 180 *(2023: 181)* are teaching staff.

Reputation

The College has continued to make improvements in recent years and has sustained performance levels. In January 2023 OfSTED inspection the Quality of Education was assessed to be Good, and the overall effective judgment of Good was given. The College has been judged to be Good since 2014 and further retained this in 2017. It was recognised that the College promotes a culture of respect, tolerance and inclusivity. Students and apprentices gain a clear awareness of life in modern Britain, in particular equality and diversity and the importance of respecting differences and how this contributes to community cohesion. The West Midlands Combined Authority (WMCA) has continued to host the annual Adult Learners Awards since its inception in 2023. The College is extremely proud that its learners were recognized in the 2023 awards and National Infrastructure Solutions (NIS), a partner of the College, received the Engaging Adults in Learning Award at the 2024 ceremony.

Report of the Governing Body *(Continued)*

Since 2022/23 the College has delivered the WMCA's Multiply, supporting adults to improve their numeracy skills.

Leaders and managers have an incisive understanding of destinations. As a result, the intent of curriculum is delivering the right impact. A very high proportion of them progress into further study, volunteering or employment – 92% of all students enter a positive destination captured at the end of 2023/24. There is sustained levels of good quality of education which has led to another year of high outcomes for most students.

PRINCIPAL RISKS AND UNCERTAINTIES

The College continues to develop and embed the system of internal control, including financial, operational, and risk management which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Executive Management Team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Executive Management Team also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at College level which is reviewed at each scheduled termly meeting of the Audit Committee. 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. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that featured in the main risk register presented to the Audit Committee in July 2024. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1 Going Concern and Financial Sustainability

The College's Financial Notice to Improve was lifted on 26 April 2024 with no requirement for post intervention monitoring. This followed the re-financing of the College debt in July 2023 which removed the risk of breaching commercial debt covenants which was the key driver of Inadequate Financial Health.

Underlying profitability continues to improve, learner numbers have grown and the resulting positive cash generation has improved overall solvency. It is expected that the College's financial sustainability will continue to improve with increased learner numbers attracted by the new facilities in the Advanced Technology and Automotive Centre and the opening of the new City Learning Quarter campus in 2025/26.

Therefore, the College is able to report that with the improving financial sustainability the financial statements will continue to be produced on a going concern basis.

2 Recruitment of Learners and Increasing Local Competition

The College has considerable reliance on continued government funding through the further education sector funding bodies, the West Midlands Combined Authority and through the Office for Students. In 2023/24, 87% of the College's revenue was ultimately publicly funded. Significant reliance on government funding is expected to continue. Competition for learners is fierce not only amongst local FE Colleges but also School Sixth Forms and private training providers. Maintaining levels of 16-19-year-old and adult learners in the classroom, as well as maximising opportunities for apprenticeships, are critical to the financial outturn of the College.

Report of the Governing Body *(Continued)*

The separation of the Adult Education Budget (AEB) into devolved and non-devolved budgets presented additional challenges as the West Midlands Combined Authority picked up responsibility for funding within its region. Given the College's proximity to the South Staffordshire border and delivery location in Shropshire this presented additional complexity in terms of understanding recruitment patterns, assuring meeting contract targets and managing external stakeholders.

This risk is mitigated in several ways:

- Building and maintaining strong working relationships with key local employers who are investing in growth sectors, most notably engineering and construction. The College is prioritising investment in industry standard facilities that these businesses require to ensure the training delivers the correct level of employment skills. In turn this has resulted in continued strength in the relationship with the Combined Authority which is providing a platform for future growth.
- Funding derived through a multitude of direct and indirect contractual arrangements.
- Ensuring the College is rigorous in delivering high quality education and training.
- Placing considerable focus and investment on maintaining and managing key relationships with all funding bodies.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Maintaining regular dialogue with key stakeholders that is underpinned by timely and accurate management information.

As a result of these actions, the College has continued to grow contracts in respect of both 16-19 and adult learners.

3 Accuracy of Financial Planning and Financial Health

Given the ever-increasing complexity of Further Education, it is essential that financial planning is accurate and timely in order to facilitate management action.

This risk is mitigated through:

- Routine consideration of financial matters at meetings of the Governing Body.
- Financial health measures being calculated monthly as a part of the routine financial reporting cycle.
- The forecast financial results are updated in each set of monthly management accounts.
- An internal meeting framework supports the ongoing appraisal of performance for key contracts including 16-19 and adult classroom provision and apprenticeships.

4 Securing Campus Transformation

The College's campus transformation plans are long in the making. The Advanced Technology and Automotive Centre (ATAC) opened in September 2024 and construction of the new City Learning Quarter is well under way and progressing towards a handover date in the autumn of 2025. A project manager has been appointed to work closely with the construction company and college staff to ensure the project progresses to the contract timeline and to co-ordinate the move from the Paget Road and Wellington Road campuses. There is risk of an in-year opening in the 2025/26 year with the contractor's programme float compressing the period available for fit out and operational testing.

5 Recruiting and Retaining High Quality Staff

The challenge to recruit and retain high calibre personnel has long been a challenge, particularly where salary expectations in industry outweigh the means of college pay scales. This has been exacerbated in recent times due to the national pressures on the cost of living.

College managers have a positive collaborative working arrangement with recognised trade unions with a genuine aspiration to provide the best possible working conditions for staff at all levels. During 2023/24 the College was able to award a government backed 6.5% pay award thus ensuring inflationary growth in salaries.

Report of the Governing Body *(Continued)*

6 High Levels of Inflation

Whilst the headline rate of UK inflation has significantly fallen and returning to Bank of England targets, the College continues to monitor utility costs. The College has assurance from its energy broker that it has secured 100% cover for three quarters of the year, however, the College is mindful of the ongoing impact of global warfare on energy markets.

The College has an ongoing agenda to reduce its carbon footprint and therefore lowering costs. During 2023/24 the College further invested in energy saving lighting at the Wellington Road campus.

7 Improving the Quality of Apprenticeships

The areas identified for improvement in the January 2023 Ofsted inspection have been addressed. Ongoing monitoring is conducted through one-to-one meetings, Faculty meetings, Quality of Education review meetings, and Quality of Education boards to ensure these actions are sustained and further enhanced. A task and finish sub-group of the Board of Governors still continues to oversee the impact.

As part of the improvements, a restructure of the assessors has been implemented, incorporating delivery into all standards to improve the quality of both delivery and assessment.

Targeted CPD has played a significant role in these improvements and is now aligned with the College's CPD days, as well as individual Apprenticeship and curriculum training. In response to recommendations from the ESFA Accountability Framework, additional CPD has been provided for all staff through the Education and Training Foundation. A deep dive has been conducted, supporting the improvements achieved.

The area received a grade 3 in the Self-Assessment review, primarily due to a low achievement rate of 51%, which the Apprenticeship Accountability Framework classifies as "Needs Improvement." This low achievement rate is still influenced by the lingering effects of the pandemic. Additionally, the introduction of a new standard in rail apprenticeships led to a significant number of withdrawals, as both employers and apprentices found bootcamps more suitable for this sector. The Hair sector also experienced many withdrawals, impacted by the cost-of-living crisis and an assessor, who left, took apprentices with them.

Already, the rigorous monitoring and RAG rated system in place which is continually reviewed and challenged, has seen more positive achievements compared to this time last year.

8 Martyn's Law

Martyn's Law is intended to improve protective security and organisational preparedness across the UK by mandating that certain premises and events to consider the terrorist risk and how they would respond to an attack.

A Task and Finish group was established in 2023-24 to ensure the College's compliance with Martyn's Law, expected to be introduced in Autumn 2024. The law mandates measures to prevent terrorist attacks in public spaces gathering over 100 people.

The College has focused on implementing reasonably practicable steps, processes, and procedures in accordance with a Self-Assessment Emergency Incident Planning Checklist. Advice has been sought from the Counter-Terrorism Police (CTP) unit.

While the tier for FE colleges under the new law is undecided, the College has been introducing measures in line with the Enhanced tier. The CTP advised that the College will likely be in the Standard tier, which it already meets.

Report of the Governing Body *(Continued)*

Key measures implemented in 2023-24 include:
- Site risk assessments
- Reinforced 'Don't Walk By' campaign
- Installation of speed gates and PA systems
- Creation of secure compounds
- Additional fencing
- Refreshed 'Search and Restraint' policy
- Increased random searches

Plans for 2024-25 include:
- Activating speed gates and extending them to ATAC building
- Replacing car park barriers with ANPR system
- Installing outdoor seating as vehicular attack mitigation
- Training for staff and security team
- Cross-College drills to test the Crisis Management Plan
- Reviewing processes for visiting speakers and events
- Conducting a knife arch exercise

The College continues to work with CTP to create a safe environment across existing sites and the upcoming City Learning Quarter Campus. While the tier level remains unconfirmed, all measures taken will benefit the College's safety and security.

9 Partnership Provision

Recent years have seen growth in partnership provision, fuelled by exceptional outcomes delivered in priority sectors in collaboration with the West Midlands Combined Authority. Whilst the evaluated risk has not increased, the impact of any risk that may materialise is proportionately greater. The College continues to monitor this risk, investing additional resources where appropriate which has seen the highest levels of assurance with regards to the ESFA's Subcontracting Standard.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, City of Wolverhampton College has many stakeholders. These include:

- Students and apprentices.
- Education sector funding bodies, most notably the Education and Skills Funding Agency and Office for Students.
- Staff and Governors.
- Local employers (with specific links).
- City of Wolverhampton Council and the West Midlands Combined Authority.
- The local community.
- Other FE institutions, including the Colleges West Midlands group.
- Trade unions.
- Professional bodies.
- Local schools.

The College recognises the importance of these relationships and engages in regular communication with them through the social media platforms, sharing of college briefings, an enhanced web site and by meetings.

Report of the Governing Body *(Continued)*

Equal opportunities

The College is committed to ensuring that all employees, students, apprentices and visitors are treated equally regardless of the following protected characteristics of age, gender, disability, gender reassignment, pregnancy or maternity, race (including ethnic or national origins, colour or nationality), religion or belief, sex and sexual orientation, marriage and civil partnership (employment only). The policy also applies to any franchised or subcontracted provision run by the College and to contractors working at the College. This policy is resourced, implemented and monitored on a planned basis.

In line with Chapter 15 of the Equality Act 2010, the Governing Body of the College has a specific responsibility to ensure there is no discrimination, harassment or victimisation against any person in respect of the admissions procedure, enrolment and terms of enrolment, the provision of training, and access to college services, facilities and support and exclusion from a course. Consideration will also be given to the prevention of discrimination against a disabled person in respect of the award of their qualification (subsection 3).

An annual Equality, Diversity and Inclusion Report that covers students, apprentices and staff is published.

The College is a Disability Confident Employer and has committed to the principles and objectives of the standard. The College offers a guaranteed interview scheme for disabled applicants who meet the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff and is also working towards achieving the Thrive at Work accreditation which is awarded through the West Midlands Combined Authority.

Disability statement

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

a. As part of its accommodation strategy the College engaged with experts to conduct a full access audit, and the results of this formed the basis of funding capital projects aimed at improving access.
b. The College employees a Safeguarding and Equality Manager, and SEND and Inclusion Managers, who provide information, advice and arranges support, where necessary, for students with disabilities.
c. There is a list of specialist equipment which the College can make available for use by students and a range of assistive technology is available in the Study Hub. We have Assistive technology specialists who can advise students and staff
d. The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
e. The College has made a significant investment in the appointment of specialists to support students with learning difficulties and/or disabilities. There are many student support workers who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
   Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.

The College provides a variety of support mechanisms for students and apprentices, including dedicated Safeguarding, Mental Health First Aiders, and Counselling services. Additional information and guidance are available on the College's website. The college values the Learner Voice, promoting it through the 'Speak out – Eight ways to have your say' campaign, which also includes the college's Complaint Policy and Procedures, clearly outlined on the website.

Report of the Governing Body *(Continued)*

To support the success of students and apprentices, the College has implemented positive behaviour interventions based on trauma-informed practices. All this information on College life is shared during inductions.

Sustainability Strategy

City of Wolverhampton College (CoWC) is committed to the UK Government's Sustainability Strategy, which aims to achieve carbon net zero across all sectors by 2050. We recognise their assertion that the Education sector is absolutely key to this strategy and that we have an obligation to contribute and so are working towards a target of achieving carbon net zero by 2033, joining the declaration of a climate crisis.

We further recognise the importance of involving the young people who come to this college in our goals, ensuring that they understand the importance of their environment and natural surroundings, their individual affect upon it and how this determines the future of our natural resources and the wider global climate.

By engaging with and promoting an understanding the natural world around them, we will encourage our students to acknowledge the need for action and to understand the impact on their lives, and on the wider global community, of climate change. By enhancing this understanding through education, we aim to empower them to prepare for the challenges they will face and encourage them to develop the green skills they will need in the future.

Having joined with other organisations and made a declaration of a Climate Emergency in March 2023, the first 5 years of the college's strategy sets out the strategic aims and objectives for the achievement of carbon net zero by 2033. It outlines our ambition to achieve 'emerging' status by September 2023, becoming 'established' by academic year 2024-25 and 'leading' by 2027.

The full document can be found on the College's website at: https://www.wolvcoll.ac.uk/our-college/sustainability-2/

Report of the Governing Body *(Continued)*

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where a public authority (including FE colleges) has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

Relevant union officials

Numbers of employees who were employed in the relevant period	FTE employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	2
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	
Total pay bill	£19,001,951.91
Total cost of facility time	£4,206.46
Percentage of total bill spent on facility time	0.02%

Paid trade union activities

Hours spent on facility time	198
Hours spent on paid trade union activities	84.5
Time spent on paid trade union activities as a percentage of total paid facility time	42.68%

Report of the Governing Body *(Continued)*

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 12 December 2024 and signed on its behalf on 12 December 2024 by:

Mike Hastings

Chair of Governors

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code").

Statement of Corporate Governance and Internal Control *(Continued)*

The Corporation

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

The Corporation	Date of appointment	Term of Office	Date of resignation	Status of appointment	Committees served	Board Attendance 2023/24
Ms I Axinte	29/03/21	31/03/25	01/03/24	Governor	-	3/4
Ms Dionne Barrett	07/03/22	28/02/26	-	Governor	Audit	7/8
Mr J Bradford Chair of Audit Committee	01/09/20	31/07/28	-	Governor	Audit Campus Transformation Oversight Group Search and Governance Remuneration	7/8
Mrs J Carter	24/07/23	23/07/27	-	Governor	-	7/8
Mr M Cowgill	05/03/18	Tenure	31/07/24	Principal and Chief Executive	Search and Governance Campus Transformation Oversight Group	7/8
Mr S Duru	29/03/21	31/03/25	-	Governor	Apprenticeship Task and Finish Group	8/8
Mr T Dutton	01/08/19	31/07/27	04/08/24	Governor	Audit Campus Transformation Oversight Group	6/8
Mr S Evans	24/07/23	23/07/27	-	Governor	Remuneration	7/8
Ms L Fall	01/08/24	Tenure	-	Principal and Chief Executive	-	-
Ms L Flynn	29/03/21	31/03/25	30/11/23	Governor	Apprenticeship Task and Finish Group	0/2
Mr I Gardner	29/03/21	31/03/25	31/07/24	Governor	Apprenticeship Task and Finish Group Campus Transformation Oversight Group	8/8

Statement of Corporate Governance and Internal Control *(Continued)*

The Corporation	Date of appointment	Term of Office	Date of resignation	Status of appointment	Committees served	Board Attendance 2023/24
Mr J Gough	20/05/19	31/07/27	-	Associate member of the Campus Transformation Oversight Group	Campus Transformation Oversight Group	N/A
Mr G Gregorini	24/07/23	23/07/24	23/07/24	Student Governor	-	5/8
Mrs W Harris	23/03/23	22/03/27	-	Staff Governor	-	8/8
Mr M Hastings Vice Chair to 11/12/2023 Chair from 11/12/2023 Chair of the Campus Transformation Oversight Group Chair of the Search and Governance Committee	23/07/18	31/07/26	-	Governor	Audit (until 11/12/23) Search & Governance Remuneration Campus Transformation Oversight Group	7/8
Mrs H Knight	29/03/21	31/03/25	-	Governor	-	4/8
Ms A Shannon	01/04/21	31/03/25	-	Associate Member of Audit Committee	Audit Committee	N/A
Mr D Shaw	24/07/23	23/07/27	-	Governor	Apprenticeships Task and Finish Group	7/8
Ms D Surchicin	01/08/24	31/07/25	-	Student Governor	-	-
Mr M Taylor Chair to 11/12/2023 Vice Chair from 11/12/2023	25/02/19	31/07/27	-	Governor	Search and Governance Remuneration	7/8

Statement of Corporate Governance and Internal Control *(Continued)*

The Corporation	Date of appointment	Term of Office	Date of resignation	Status of appointment	Committees served	Board Attendance 2023/24
Mr S Thompson	01/04/21	31/03/25	-	Governor	Apprenticeship Task and Finish Group	6/8
Ms A Tomlinson	14/12/20	31/07/28	-	Governor	Audit Search and Governance Remuneration	7/8

Mrs A Buick is Head of Governance (Clerk to the Board of Governors).

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 broadly half termly which equated to eight times in the 2023/24 academic year.

The Corporation operates an approved schedule of regular meetings and conducts its business through a number of committees and task and finish groups. Each committee and task and finish group has terms of reference, which have been approved by the Corporation. During 2023/24 these were Audit, Remuneration, and Search and Governance, the Campus Transformation Oversight Group, the Apprenticeship Task and Finish Group and the Rail Strategy Task and Finish Group. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.wolvcoll.ac.uk or from the Head of Governance at:

City of Wolverhampton College
Paget Road
Wolverhampton
WV6 0DU

The Corporation adopted the Carver model of Governance with effect from August 2015 and the Audit, Remuneration and Search and Governance Committees have remained in place from that date. The Campus Transformation Oversight Group was established in 2018, the Apprenticeship Task and Finish Group was established in 2020 and the Rail Strategy Task and Finish Group was established in 2023.

The Head of Governance maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Head of Governance, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Head of Governance are matters for the Corporation as a whole.

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

Statement of Corporate Governance and Internal Control *(Continued)*

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. The Corporation is the appointing authority for all its non-executive members and Governors who are nominated by an organisation are not subject to any mandate and act independently declaring conflicts of interest as appropriate.

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

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee which is comprised of the Chair, Vice Chairs, Accounting Officer and at least one other Independent member of the Corporation. The Committee is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

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

Statement of Corporate Governance and Internal Control *(Continued)*

Corporation performance

The Search and Governance Committee reviewed the performance of the Board through the annual self-assessment at its meeting in November 2023 and a summary of this was presented to the Board in December 2023, taking into consideration the annual self-assessment of Governance, the role of the Committees and a review of performance against the Code of Good Governance for English Colleges. The College's Key Performance Indicators are reported to the Board at least on a quarterly basis with financial performance indicators also being reported in the monthly management accounts. These indicators are derived from the College's Strategic Objectives and cover all aspects of the College's performance including teaching and learning, learner outcomes, learner satisfaction, employer engagement, partnerships, enrolments and financial indicators. The KPIs form a sound basis from which managers and Governors can monitor and judge performance and progress. The annual and three-year targets are based on comparative data (where appropriate) and targets are set to be stretching, but achievable.

The Board was able to take considerable assurance that governance arrangements are robust and appropriately structured to support delivery of the strategic plan and continued improvements to the College.

There was an Independent Review of Governance carried out by a National Leader in 2023/24. The next Independent Review will take place no later than 2026/27. The National Leader attended the Board meeting in July 2024 to present his observations and recommendations. A full written report was received and the resulting action plan has been agreed with the Board.

The review involved a Governor survey, one to one interviews with Board members, members of the Executive Management Team and the Head of Governance; observation of a number of Board, Committee and Task & Finish Group meetings and an extensive review of relevant documentation.

The review concluded that there is evidence the Board is proficient and has some impact on college strategy, effectiveness and outcomes.

The following table summarises some of the headline strengths and areas for development identified in the review:

STRENGTHS	AREAS FOR DEVELOPMENT
Board Composition	
A good mix of skills and experience on the Board with finance, health and housing being particular strengths.	Address the current gender imbalance.
Governors are curious, express commitment to the college and are ambitious for students.	Progress the recruitment of a governor with FE experience and another from the local business community. The recruitment of a second student governor would also benefit the Board.
Board Structure	
Key documentation relating to governance practice is in place and well written.	Policy or process needed to address consistent non-attendance.
Minutes, including notes of support and challenge are easy to understand with decisions taken and action points made very clear.	Explore how to reduce the volume of papers – governors consistently said papers were too long and too detailed.
Board Interaction	
Good examples of scrutiny and challenge. Board and executive team work well together, as do governors.	Challenge could be more widespread on the Board.
Interactions between governors are good-natured, respectful and courteous.	The college's strategic plan needs to be clearer to governors.

Statement of Corporate Governance and Internal Control *(Continued)*

Remuneration Committee

The College has established a Remuneration Committee with responsibility to undertake an annual review of, and advise the Corporation on, the level of remuneration including basic salary, benefits in kind, annual bonus/performance related elements and pension provisions. Details of remuneration for the year ended 31 July 2024 are set out in note 8 to the financial statements.

The Remuneration Committee recommended the adoption of the College's Senior Staff Remuneration Code to the Corporation for approval at its meeting held on 25 November 2019.

The membership of the Remuneration Committee for the 2023/24 academic year was:

Mark Taylor	(Chair of the Board of Governors until 11 December 2023, Vice Chair of the Board of Governors thereafter)
Mike Hastings	(Vice Chair of the Board of Governors until 11 December 2023, Chair of the Board of Governors thereafter)
Amanda Tomlinson	(Vice Chair of the Board of Governors and Chair of the Remuneration Committee)
John Bradford	(Chair of the Audit Committee)
Simon Evans	Independent Governor

Senior Post Holders

The roles designated as Senior Post Holders and within the remit of the Remuneration Committee during 2023/24 are the Principal, Deputy Chief Executive, Deputy Principal and the Head of Governance.

Remuneration Committee

In 2023/24 the Remuneration Committee met once, on 20 November 2023, and reviewed the remuneration of those staff within its remit. The Committee met in private without staff members in attendance.

The Head of Governance acted as Clerk to the Committee.

There were five members of the Remuneration Committee including the Chair of the Board of Governors and the two Vice Chairs. The Chair of the Board of Governors is not the Chair of the Remuneration Committee. The Principal is not a member of the Remuneration Committee.

The Remuneration Committee provides an annual report to the Corporation at its December meeting.

Statement of Corporate Governance and Internal Control *(Continued)*

Senior Post Holder Remuneration

The Principal and Chief Executive's contract was extended in August 2021. The Principal and Chief Executive received the same cost of living increase as other staff at the College as from 1 February 2024. He resigned with effect from 31 July 2024 and a new Principal and Chief Executive was appointed from 1 August 2024.

The Deputy Chief Executive and the Deputy Principal (both Senior Post Holders) received the same cost of living increase as other staff at the College as from 1 February 2024.

The College does not operate a bonus scheme for Senior Post Holders, nor does it offer any additional benefits e.g. lease cars that are unavailable to any other member of staff. Senior Post Holders are entitled to participate in the Local Government or Teachers Pension Scheme.

Senior Post Holders expenses are paid in accordance with the College's Expenses Policy.

Choice of comparator college(s)/organisation(s)

In considering salary increases, the Remuneration Committee has regard to the latest benchmarking information available in the Association of Colleges Senior Pay Survey which is published on an annual basis.

The Committee also has regard to market conditions and the skills and experience required to fulfil the role and the significant developments in relation to the Campus Transformation.

As appropriate the Remuneration Committee also has regard to benchmarking data provided by other organisations.

Pay Multiple of the Principal and Chief Executive and the median earnings of the institution's whole workforce:

Details of the pay multiple of the Principal and Chief Executive are set out in note 8 to the financial statements. In 2023/24 the Principal's pay was 5.9 times (2022/23: 6.2) the pay of the median employee.

Significant changes

The Principal and Chief Executive resigned with effect from 31 July 2024. The Board undertook a detailed process, supported by external recruitment consultants, to appoint a new Principal and Chief Executive with effect from 1 August 2024. There were no other changes to Senior Post Holders during the year.

Severance arrangements

During the period covered by the report the Remuneration Committee was not asked to consider any such arrangement.

Statement of Corporate Governance and Internal Control *(Continued)*

Audit Committee

The Audit Committee comprises a Chair and three other members of the Corporation (excluding the Accounting Officer and Chair) and an Associate member. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

The Audit Committee has advised the Board that there is an effective framework for governance, risk management and internal control in place. The Committee believes that, based on the work undertaken and the reports received, that the Board has effective controls in place.

The specific areas of work undertaken by the auditors and received by the Committee up to the date of the approval of the accounts are:

- Payments and Procurement
- Budgetary Control
- Cyber Security
- Learner Numbers
- Safeguarding
- Sub-Contractor Controls
- Campus Transformation
- Follow Up
- Review of the planning and completion of the external audit.

Internal control

Scope of responsibility

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

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

Statement of Corporate Governance and Internal Control *(Continued)*

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 within City of Wolverhampton College for the year ended 31 July 2024 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 2024 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 governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 *Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. As a minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Responsibilities under accountability agreements

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

Review of effectiveness

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

- the work of the internal auditors

Statement of Corporate Governance and Internal Control *(Continued)*

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

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

The Executive Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive Management Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes an annual item for consideration of risk and control and receives reports thereon from the Executive Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Executive Management Team and internal audit, and taking account of events since 31 July 2024.

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

Going concern

In determining whether the College's annual financial statements can be prepared on a going concern basis, the Governors have considered the Group's business activities, together with the factors likely to affect its future development, performance and position. The review also includes the financial position of the College and the wider Group, their short term and long-term cash flows, liquidity position and borrowing facilities.

The key factors considered by the Governors in making the assessment of going concern included:

- The implications of changes to the social and economic environment on the College's revenues and surpluses. In particular, the impact the College's ability to deliver activity in line with its forecast for the year.
- Expected repayments on the College's £12.5 million loan facility provided by the Secretary of State for Education.
- Downside scenario models including the impact on the delivery of activity in the current financial year as well as the mitigating factors available such as delaying non-essential capital and maintenance expenditure.

The Governors are confident that the Group and College can continue in operational existence for at least the next twelve months from the date of signing the financial statements. For these reasons, the Governors continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

Statement of Corporate Governance and Internal Control *(Continued)*

Approved by order of the members of the Corporation on 12 December 2024 and signed on its behalf by:

Mike Hastings

Chair of Governors

Louise Fall

Accounting Officer

Governing Body's Statement on the College's Regularity, Propriety and Compliance

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

Louise Fall
Accounting Officer
12 December 2024

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.

Mike Hastings
Chair of Governors
12 December 2024

Statement of Responsibilities of the Members of the Corporation

The members of the corporation are required to present audited financial statements for each financial year. Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA and West Midlands Combined Authority (WMCA), the corporation – through its Accounting Officer - is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK accounting standards have been followed, subject to any material departures disclose d 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 (which must be consistent with other disclosures in the accounts and auditor's report).
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation.

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

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Statement of Responsibilities of the Members of the Corporation *(Continued)*

Approved by order of the members of the Corporation on 12 December 2024 and signed on its behalf on 11 December 2023 by:

Mike Hastings
Chair of Governors

Bishop Fleming

Independent Auditor's Report to the Corporation of City of Wolverhampton College

Opinion

We have audited the financial statements of City of Wolverhampton College (the 'parent corporation') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2023 to 2024.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 July 2024 and of the group's income and expenditure, gains and losses, changes in reserves and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, and College Accounts Direction 2023 to 2024 and the Office for Students' 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 group 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the members' 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 group and parent corporation'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are 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.

Independent Auditor's Report to the Corporation of City of Wolverhampton College *(Continued)*

Opinion

We have audited the financial statements of City of Wolverhampton College (the 'parent corporation') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2023 to 2024.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 July 2024 and of the group's income and expenditure, gains and losses, changes in reserves and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, and College Accounts Direction 2023 to 2024 and the Office for Students' 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 group 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the members' 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 group and parent corporation'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are 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.

Independent Auditor's Report to the Corporation of City of Wolverhampton College *(Continued)*

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the group's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the group's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the group ensured it met its obligations arising from it being financed by and subject to the governance requirements of the ESFA and OfS, and as such material compliance with these obligations is required to ensure the group will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the group and parent corporation ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal group specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, the Companies Act 2006,and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the corporation's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the 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;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;

Bishop Fleming

Independent Auditor's Report to the Corporation of City of Wolverhampton College *(Continued)*

- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of corporation's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the ESFA and OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

These procedures were considered at both the parent corporation and subsidiary level as appropriate.

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.

Use of our report

This report is made solely to the corporation, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the corporation those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Stratus House
Emperor Way
Exeter Business Park
Exeter
Devon
EX1 3QS
Date:

Bishop Fleming

Reporting accountant's assurance report on regularity to the Corporation of City of Wolverhampton College ("the College") and Secretary of State for Education acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 23 July 2024 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by City of Wolverhampton College during the period 1 August 2023 to 31 July 2024 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 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 City of Wolverhampton College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of City of Wolverhampton College and 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 City of Wolverhampton College and ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of City of Wolverhampton College and the reporting accountant

The Corporation of City of Wolverhampton 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 is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 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 jointly by the ESFA. We performed a limited assurance engagement as defined in that framework.

he 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 and propriety.

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

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

Reporting accountant's assurance report on regularity to the Corporation of City of Wolverhampton College ("the College") and Secretary of State for Education acting through Education and Skills Funding Agency (ESFA) *(Continued)*

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the College's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the College's self-assessment questionnaire ("SAQ");
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk;
- Confirming through enquiry and understanding the control environment that the College has policies and delegated authorities in respect of procurement; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed, and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament, and that the financial transactions do not conform to the authorities that govern them.

Bishop Fleming LLP

Bishop Fleming LLP
Chartered Accountants and Statutory auditors
Stratus House
Emperor Way
Exeter Business Park
Devon
EX1 3QS

Date:

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	2	38,005	38,005	31,443	31,443
Tuition fees and education contracts	3	721	721	1,287	1,287
Other grants and contracts	4	99	99	211	211
Other income	5	4,275	4,302	2,066	2,091
Investment income	6	398	398	34	34
Donations	7	-	-	-	-
Total income		**43,497**	**43,524**	**35,041**	**35,066**
EXPENDITURE					
Staff costs	8	19,772	19,140	19,911	19,317
Other operating expenses	9	15,870	16,529	12,663	13,282
Depreciation	12	8,352	8,352	1,781	1,781
Interest and other finance costs	10	798	798	1,638	1,638
Total expenditure		**44,791**	**44,818**	**35,993**	**36,018**
Loss before other gains and losses		**(1,294)**	**(1,294)**	**(952)**	**(952)**
Profit on disposal of assets	9	-	-	21	21
Loss before tax		**(1,294)**	**(1,294)**	**(931)**	**(931)**
Taxation	11	-	-	-	-
Profit/(Loss) for the year		**(1,294)**	**(1,294)**	**(931)**	**(931)**
Actuarial (loss)/gain in respect of pension	18 25	(515)	(515)	17,365	17,365
Total Comprehensive Income for the year		**(1,809)**	**(1,809)**	**16,434**	**16,434**
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		(1,809)	(1,809)	16,434	16,434
Total Comprehensive Income for the year		**(1,809)**	**(1,809)**	**16,434**	**16,434**
Surplus/(Deficit) for the year attributable to:					
Non-controlling interest		-	-	-	-
Group		**(1,294)**	**(1,294)**	**(931)**	**(931)**
Total Comprehensive Income for the year:					
Non-controlling interest		-	-	-	-
Group		**(1,809)**	**(1,809)**	**16,434**	**16,434**

The income and expenditure account is in respect of continuing activities.

Consolidated and College Statement of Changes in Reserves

Group

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 31 July 2022	**(12,786)**	**5,035**	**(7,751)**
Loss for the year	(930)	-	(930)
Other comprehensive income	17,365	-	17,365
Transfers between revaluation and income and expenditure reserves	187	(187)	-
Total comprehensive income for the year	**16,622**	**(187)**	**16,435**
Balance at 31 July 2023	**3,836**	**4,848**	**8,684**
Loss for the year	(1,294)	-	(1,294)
Other comprehensive income	2,350	-	2,350
Transfers between revaluation and income and expenditure reserves	1,812	(1,812)	-
Total comprehensive income for the year	**2,868**	**(1,812)**	**1,056**
Balance at 31 July 2024	**6,704**	**3,036**	**9,740**

College

	Income and expenditure account	Revaluation reserve	Total
Balance at 1 August 2022	**(12,786)**	**5,035**	**(7,751)**
Loss for the year	(931)	-	(931)
Other comprehensive income	17,365	-	17,365
Transfers between revaluation and income and expenditure reserves	187	(187)	-
Total comprehensive Income for the year	**16,622**	**(187)**	**16,435**
Balance at 31 July 2023	**3,836**	**4,848**	**8,684**
Surplus for the year	(1,294)	-	(1,294)
Other comprehensive income	2,350	-	2,350
Transfers between revaluation and income and expenditure reserves	1,812	(1,812)	-
Total comprehensive income for the year	**2,868**	**(1,812)**	**1,056**
Balance at 31 July 2024	**6,704**	**3,036**	**9,740**

Balance sheets as at 31 July

	Notes	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Non-current assets					
Tangible fixed assets	12	25,148	25,148	31,872	31,872
Investments	13	-	-	-	-
		25,148	**25,148**	**31,872**	**31,872**
Current assets					
Stocks		31	31	16	16
Debtors	14	1,814	1,846	1,677	1,706
Cash at bank and in hand	19	5,686	5,643	3,833	3,793
		7,531	**7,520**	**5,526**	**5,515**
Less: Creditors – amounts falling due within one year	15	(4,557)	(4,546)	(3,482)	(3,471)
Net current assets assets/(liabilities)		**2,974**	**2,974**	**2,044**	**2,044**
Total assets less current liabilities		**28,122**	**28,122**	**33,916**	**33,916**
Creditors – amounts falling due after more than one year	16	(18,147)	(18,147)	(22,155)	(22,155)
Provisions					
Defined benefit pension schemes	18	-	-	-	-
Other provisions	18	(3,100)	(3,100)	(3,077)	(3,077)
Total net assets/(liabilities)		**6,875**	**6,875**	**8,684**	**8,684**
Reserves					
Income and expenditure account (including pension scheme deficit of £nil *(2022: deficit of £16,141k))*		3,839	3,839	3,837	3,837
Revaluation reserve		3,036	3,036	4,847	4,847
Total reserves		**6,875**	**6,875**	**8,684**	**8,684**

The financial statements on pages 39 to 67 were approved and authorised for issue by the Corporation on 12 December 2024 and were signed on its behalf on 12 December 2024 by:

Mike Hastings

Chair of Governors

12 December 2024

Louise Fall

Accounting Officer

12 December 2024

Consolidated Statement of Cash Flows

	Notes	2024	2023
		£'000	**£'000**
Cash flow from operating activities			
Surplus/(deficit) for the year		(1,294)	(931)
Adjustment for non-cash items			
Depreciation		8,352	1,781
Deferred capital grants released to income		(4,171)	(564)
(Increase)/Decrease in stocks		(15)	1
(Increase) in debtors		(171)	(255)
Increase/(Decrease) in creditors		994	(250)
Increase in creditors due after one year		-	-
Decrease in provisions		(300)	(275)
Pensions adjustments		(44)	491
Adjustment for investing or financing activities			
Investment income		(398)	(34)
Interest payable		798	1,638
New finance lease		-	-
Profit on sale of fixed assets		-	(21)
Net cash flow from operating activities		**3,751**	**1,581**
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	21
Investment income		97	34
Deferred capital grants received		352	2,680
Payments made to acquire fixed assets		(1,495)	(1,320)
		(1,046)	**1,415**
Cash flows from financing activities			
Interest paid		(644)	(950)
New loans		-	6,238
Repayments of amounts borrowed		(179)	(6,255)
Repayments of finance leases		(29)	(28)
		(852)	**(995)**
Increase in cash and cash equivalents in the year		**1,853**	**2,001**
Cash and cash equivalents at beginning of the year	19	3,833	1,832
Cash and cash equivalents at end of the year	19	**5,686**	**3,833**

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 FEHE SORP), the College Accounts Direction for 2021 to 2022, and Regulatory Advice 9: Accounts Direction issues by the Office for Students, and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified to include the revaluation of freehold properties.

Reduced Disclosures

In accordance with the F&HE SORP 2019 and FRS 102, the College in its separate financial statements, which are presented alongside the consolidated financial statements, has taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement and financial instruments.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, City of Wolverhampton College Enterprises Limited, controlled by the Group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2024.

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

Going concern

The activities of the College, together with the factors likely to affect its future development and performance, are set out in the 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.

Notes to the Accounts *(Continued)*

In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Governors have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, the recent reclassification of colleges and the work to date with stakeholders to agree to refinance existing debt. The review also includes the financial position of the College and the wider Group, their short term and long-term cash flows, liquidity position and borrowing facilities.

The college currently has £12.3m of government debt outstanding on terms negotiated in July 2023 secured by a fixed charge on college assets. The terms of the existing agreement are fixed payments with the term varying in accordance with annual repricing based on the Public Works Loan Board 1 year rate at 1 April each year. The college's forecasts and financial projections indicate that it will be able to operate within this existing facility for the foreseeable future.

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

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget (AEB) is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Long funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in year.

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

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

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

Capital grant funding

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

Fee income

Income from tuition fees including employer funding for co-investment funded apprenticeships is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment income

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

Notes to the Accounts *(Continued)*

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

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

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

West Midlands Local Government Pension Scheme (LGPS)

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

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

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

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. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive 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.

Notes to the Accounts *(Continued)*

Tangible fixed assets

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

Land and buildings

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

Properties under construction

Properties in the course of construction are accounted for at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to operating condition. They are not depreciated until they are brought into use.

Equipment

Equipment costing less than £1,000 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Freehold buildings - 50 years
- Plant and machinery - 10 years/20 years
- Football pitches - 15 years
- Major adaptations to buildings - 10 to 15 years
- Other equipment - 5 years
- Computer equipment - 4 years
- Motor vehicles - 3 years
- Equipment loans to learners - charged to SOCI

With the closure of the Paget Road campus planned for October 2025 the remaining Net Book Value of related assets has been accelerated to ensure all assets have a £nil Net Book Value at closure date. Affected assets are classified as freehold buildings or major adaptations to buildings. All other assets either have a £nil Net Book Value or are being repurposed within the College.

The Metro 1 campus forms part of the new City Learning Quarter and has been partially demolished to facilitate the new development. The remaining Net Book Value has been depreciated to £nil during 2023/24.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Notes to the Accounts *(Continued)*

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Borrowing costs

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

Leased assets

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

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

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

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

Investments

Investments in subsidiaries

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

Inventories

Inventories are stated at the lower of their cost (using the first in first out method) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

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

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

Financial instruments

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Notes to the Accounts *(Continued)*

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

De-recognition of financial assets and liabilities

A financial asset is de-recognised only when the contractual rights to cash flows expire or are settled, substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

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 5% 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.

The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

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 the amount of the obligation can be reliably measured.

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 that reflects the risks specific to the liability. The

Notes to the Accounts *(Continued)*

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 reliably measured

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

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

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.

Critical accounting estimates and assumptions

Tangible fixed assets

Tangible fixed assets 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, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

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 25, 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.

Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flows and selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

Notes to the Accounts *(Continued)*

2 Funding body grants

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Recurrent grants				
Education and Skills Funding	16,358	16,358	11,513	11,513
Education and Skills Funding Agency - Apprenticeships	1,776	1,776	2,658	2,658
Education and Skills Funding	16,994	16,994	15,435	15,435
Office for Students	69	69	87	87
Specific grants				
Education and Skills Funding	1,246	1,246	1,315	1,315
Releases of government capital	1,562	1,562	435	435
Total	**38,005**	**38,005**	**31,443**	**31,443**

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Grant income from the Office for	69	69	87	87
Grant income from other bodies	37,936	37,936	31,356	31,356
Total Grants	**38,005**	**38,005**	**31,443**	**31,443**
Fee income for taught awards	721	721	1,287	1,287
Total Tuition Fees and Education Contracts (Note 3)	**721**	**721**	**1,287**	**1,287**
Total Grant and Fee Income	**38,726**	**38,726**	**32,730**	**32,730**

Notes to the Accounts *(Continued)*

3 Tuition fees and education contracts

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Adult education fees	244	244	468	468
Apprenticeship fees and contracts	25	25	37	37
Fees for FE loan supported courses	122	122	355	355
Fees for HE loan supported courses	102	102	210	210
Total tuition fees	**494**	**494**	**1,070**	**1,070**
Education contracts	227	227	217	217
Total	**721**	**721**	**1,287**	**1,287**

4 Other grants and contracts

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Erasmus	99	99	161	161
Other Grant Income	-	-	50	50
Total	**99**	**99**	**211**	**211**

5 Other income

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Catering and residences	55	55	66	66
Other income generating activities	1,611	1,638	1,870	1,895
Release of non-funding body grants	2,609	2,609	130	130
Total	**4,275**	**4,302**	**2,066**	**2,091**

Notes to the Accounts *(Continued)*

6 Investment income

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Other interest receivable	97	97	34	34
Net interest on defined pension liability (note 18,25)	301	301	-	-
Total	**398**	**398**	**34**	**34**

7 Donations – College Only

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Unrestricted donations	-	-	-	-
Total	**-**	**-**	**-**	**-**

8 Staff costs – Group and College

The average number of persons (including key management personnel) employed by the Group & College during the year was:

	2024 Group No.	2024 College No.	2024 Group No.	2023 College No.
Teaching Staff	180	180	181	181
Non-teaching Staff	418	375	407	365
	598	**555**	**588**	**546**

Group Staff costs for the above persons

	2024 £'000	2023 £'000
Wages and salaries	15,040	14,594
Social security costs	1,414	1,377
Other pension costs	3,130	3,533
Payroll sub total	**19,584**	**19,504**
Restructuring costs – Contractual	188	407
Total Staff costs	**19,772**	**19,911**

Notes to the Accounts *(Continued)*

The College (and Group) has made 14 severance payments in the year (*2022/23: 25)*, disclosed in the following bands:

	2024 No.	2023 No.
£0 to £25,000	13	19
£25,001 to £50,000	1	5
£50,001 to £100,000	-	1
£100,001 to £150,000	-	-
£150,000+	-	-
	14	**25**

Included in staff restructuring costs of £188,012 (*2023: £407,000*) are special severance payments totalling £nil (*2023: £nil*).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and were represented by the College Leadership Team.

In 2022/23 key management personnel comprised the Principal, Deputy Chief Executive, Deputy Principal, two Assistant Principals and the Director of Finance.

Staff costs include compensation paid to key management personnel for loss of office (£nil).

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

	2024 No.	2023 No.
The number of key management personnel including the Accounting Officer was:*	7	4

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

Notes to the Accounts *(Continued)*

	Key management personnel*		Other staff	
	2024	**2023**	**2024**	**2023**
	No.	**No.**	**No.**	**No.**
£10,001 to £20,000 p.a.	1	1	-	-
£40,001 to £50,000 p.a.	1	-	-	-
£50,001 to £60,000 p.a.	-	-	-	-
£60,001 to £70,000 p.a.	-	-		6
£70,001 to £80,000 p.a.	-	1	1	-
£80,001 to £90,000p.a.	-	2	-	-
£90,001 to £100,000 p.a.	2	-	-	-
£110,001 to £120,000 p.a.	-	-	-	-
£120,000 to £130,000 p.a.	-	2	-	-
£130,001 to £140,000 p.a.	2	-	-	-
£170,001 to £180,000 p.a.	-	1	-	-
£180,001 to £190,000 p.a.	1	-	-	-
	7	**7**	**10**	**6**

*During the 2024 year there was one starters and two leaver within key management personnel *(2023: three and one).* The bandings above include the annualised emoluments of all starters and leavers.

Key management personnel compensation is made up as follows:

	2024	2023
	£'000	**£'000**
Basic salary	614	605
Performance related pay and bonus	-	-
Benefits in kind	-	-
	614	**605**
Pension contributions	96	97
Total key management personnel compensation	**710**	**702**

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

	2024	2023
	£'000	**£'000**
Basic salary	190	181
Performance related pay and bonus	-	-
Benefits in kind	-	-
	190	**181**
Pension contributions	-	-
Total	**190**	**181**

The remuneration package of key management staff, including the Principal and Chief Executive Officer, is subject to annual review by the Remuneration Committee of the governing body. The governing body adopted Association of Colleges' Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles.

Notes to the Accounts *(Continued)*

Relationship of Principal and Chief Executive Pay and Remuneration expressed as a multiple

	2024	2023
Principal's basic salary as a multiple of the median of all staff	5.9	6.2
Principal and CEO's total remuneration as a multiple of the median of all staff	4.9	5.0

Governors' remuneration

The Accounting Officer and the staff members only receive remuneration in respect of services they provide undertaking their role of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the College in respect of their roles as governors.

The total expenses paid to or on behalf of the Governors during the year was £nil; 0 governors *(2023: £nil; 0 governors)*. This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

9 Other operating expenses

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Teaching costs	9,882	9,882	6,143	6,143
Non-teaching costs	3,934	3,934	5,012	5,011
Premises costs	2,054	2,713	1,508	2,128
Total	**15,870**	**16,529**	**12,663**	**13,282**

Other operating expenses include:

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Auditors' remuneration:				
Financial statements audit	50	45	50	45
Internal audit	21	21	22	22
Profit on disposal of fixed assets	-	-	21	21
Hire of assets under operating leases	424	424	295	295

Access and Participation Spending

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Access investment	285	285	274	274
Financial support to students	8	8	6	6
Disability support	2	2	1	1
Research and evaluation (relating to access and participation)	4	4	4	4

Notes to the Accounts *(Continued)*

10 Interest and other finance costs

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
On bank loans, overdrafts and other loans	642	642	950	950
On finance leases	2	2	3	3
Net interest on defined pension liability (note 18, 25)	154	154	685	685
Total	**798**	**798**	**1,638**	**1,638**

11 Taxation

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
United Kingdom corporation tax	-	-	-	-
Total	**-**	**-**	**-**	**-**

12 Tangible fixed assets (Group and College)

	Land and buildings		Equipment	Assets Under Construction	Total
	Freehold	Long leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or deemed cost					
At 1 August 2023	43,853	7,639	10,491	55	62,038
Additions	403	-	999	226	1,628
Transfer from Assets under Construction	-	-	-		-
At 31 July 2024	**44,256**	**7,639**	**11,490**	**281**	**63,666**
Depreciation					
At 1 August 2023	18,061	3,078	9,027	-	30,166
Charge for the year	939	140	643	-	1,722
Accelerated charge for the year	2,209	4,421	-	-	6,630
At 31 July 2024	**21,209**	**7,639**	**9,670**	**-**	**38,518**
Net book value at 31 July 2024	**23,047**	**-**	**1,820**	**281**	**25,148**
Net book value at 31 July 2023	25,792	4,561	1,464	1,285	31,872

Notes to the Accounts *(Continued)*

With the closure of the Paget Road campus planned for October 2025 the remaining Net Book Value of related assets has been accelerated to ensure all assets have a £nil Net Book Value at closure date. Affected assets are classified as freehold buildings or major adaptations to buildings. All other assets either have a £nil Net Book Value or are being repurposed within the College.

The Metro 1 campus forms part of the new City Learning Quarter and has been partially demolished to facilitate the new development. The remaining Net Book Value has been depreciated to £nil during 2023/24.

If inherited land and buildings had not been revalued before being deemed as cost on transition, they would have been included at the following historical cost amounts:

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

13 Non-current investments

	2024	**2023**
	£	**£**
Investments in subsidiary companies	1	1
Total	1	1

The college owns 100 per cent of the issued ordinary £1 shares of City of Wolverhampton College Enterprises Limited, a company incorporated in England and Wales. The principal business activities of City of Wolverhampton College Enterprises Limited is the provision of cleaning and security services.

14 Trade and other receivables

	2024	**2024**	**2023**	**2023**
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due within one year:				
Trade debtors	204	204	609	609
Amounts owed by group undertakings:				
Subsidiary undertakings	-	32	-	29
Other debtors	214	214	29	29
Prepayments and accrued income	479	479	399	399
Amounts owed by the ESFA	917	917	640	640
Total	**1,814**	**1,846**	**1,677**	**1,706**

Notes to the Accounts *(Continued)*

15 Creditors: amounts falling due within one year

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Bank loans and overdrafts	-	-	-	-
Other loans	123	123	233	233
Trade creditors	185	185	502	502
Amounts owed to group undertakings:				
Subsidiary undertakings	-	-	-	-
Other taxation and social security	750	739	418	407
Accruals and deferred income	2,744	2,744	1,654	1,654
Holiday pay accrual	45	45	61	61
Government capital grants	692	692	585	585
Finance lease	15	15	29	29
Amounts owed to the ESFA	3	3	-	-
Total	**4,557**	**4,546**	**3,482**	**3,471**

16 Creditors: amounts falling due after one year

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Other loans	12,210	12,210	12,277	12,277
Government capital grants	5,937	5,937	9,863	9,863
Finance lease	0	0	15	15
Total	**18,147**	**18,147**	**22,155**	**22,155**

17 Maturity of debt

(a) Bank loans and overdrafts

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
In one year or less	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
Total	**-**	**-**	**-**	**-**

In July 2023 the College's commercial debt was refinanced, with new loan finance secured through the government. The terms of the agreement are fixed capital and interest payments, with the term varying in accordance with annual repricing based on the Public Works Loan Board 1 year rate at 1 April each year.

The current interest rate is 5.60% subject to annual review on 1 April. The loans are secured against all property at the Paget Road and Wellington Road campuses. The debt is split into two loans, one maturing on 31 December 2027, and the second on 31 March 2028.

Notes to the Accounts *(Continued)*

(b) Other loans

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
In one year or less	123	123	233	233
Between one and two years	4,619	4,619	235	235
Between two and five years	1,215	1,215	5,706	5,706
In five years or more	6,376	6,376	6,337	6,337
Total	**12,333**	**12,333**	**12,511**	**12,511**

(c) Finance Leases

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
In one year or less	15	15	29	29
Between one and two years	-	-	15	15
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
Total	**15**	**15**	**44**	**44**

Finance lease obligations are secured on the assets to which they relate.

18 Provisions

	Group and College		
	Defined benefit obligations £'000	**Enhanced pensions £'000**	**Total £'000**
At 1 August 2023	-	3,077	**3,077**
Payments made in the period	(1,384)	(301)	**(1,685)**
Actuarial (gains) / losses	(2,520)	170	**(2,350)**
Interest	(301)	154	**(147)**
Current service cost	1,340	-	**1,340**
Past Service Cost	-	-	**-**
Administrative charges	-	-	**-**
Written down against Actuarial Gain	2,865*	-	**2,865**
At 31 July 2024	**-**	**3,100**	**3,100**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 25.

*The annual review has again returned a pension asset. As the asset will not crystalise the college has not recognised it on the balance sheet. At 31 July 2024 a £nil obligation has been recognised in the balance sheet with the asset written down against the actuarial gain.

Notes to the Accounts *(Continued)*

The enhanced pension provision relates to the cost of staff that have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies and includes an actuarial loss for the year.

The principal assumptions for this calculation are:

	2024	**2023**
Price inflation	2.80%	3.00%
Discount rate	4.80%	5.05%

19 Cash and cash equivalents

	2024 Group £'000	**2024 College £'000**	**2023 Group £'000**	**2023 College £'000**
Cash at bank and in hand	5,686	5,643	3,833	3,793
Overdrafts	-	-	-	-
Total cash and cash equivalents	**5,686**	**5,643**	**3,833**	**3,793**

20 Consolidated analysis of changes in net funds

	At 1 August 2023	**Cash flow**	**New finance leases**	**Other non-cash changes**	**Changes in market value and exchange rates**	**At 31 July 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash in hand, and at bank	3,833	1,853	-	-	-	5,686
Bank overdrafts	-	-	-	-	-	-
Debt factoring	-	-	-	-	-	-
Bank loans	-	-	-	-	-	-
Other Loans	(12,511)	178	-	-	-	(12,333)
Finance leases	(44)	29	-	-	-	(15)
Current asset investments	-	-	-	-	-	-
Net debt	**(8,722)**	**2,060**	**-**	**-**	**-**	**(6,662)**

Notes to the Accounts *(Continued)*

21 Capital and other commitments

	2024	2023
	£'000	£'000
Commitments contracted for at 31 July	401	-

22 Lease obligations

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

	Group and College	
	2024	2023
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	465	183
Later than one year and not later than five years	1,786	738
Later than five years	532	643
	2,783	**1,564**
Other		
Not later than one year	132	115
Later than one year and not later than five years	134	183
Later than five years	-	-
	266	**298**
Total lease payments due	**3,049**	**1,862**

23 Contingencies

The College has no contingent liabilities as at 31 July 2024 *(2023: £nil)*.

24 Events after the reporting period

There were no events after the reporting period.

Notes to the Accounts *(Continued)*

25 Defined benefit obligations

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

Total pension cost for the year		**2024**		**2023**
		£'000		**£'000**
National Employment Savings Trust (NEST)		9		9
Teachers' Pension Scheme: contributions paid		1,652		1,525
Local Government Pension Scheme:				
Contributions paid	1,512		1,355	
FRS 102 (28) charge	(44)		491	
Pension Arrears	-		154	
Charge to the Statement of Comprehensive Income		1,468		2,000
Total Pension Cost for Year within staff costs		**3,129**		**3,534**

Teachers' Pension Scheme

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

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension 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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023.

Notes to the Accounts *(Continued)*

The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 July 2024 are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £1,525,036 (*2022: £1,559,225*). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

(https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by City of Wolverhampton Council. The total contributions made for the year ended 31 July 2023 were £1,932,496 *(2023: £1,751,750)*, of which employer's contributions totalled £1,511,718 *(2023: £1,355,003)* and employees' contributions totalled £420,778 *(2023: £396,747)*. The agreed contribution rates for future years are 21.8% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2024	**At 31 July 2023**
Rate of increase in salaries	3.75%	4.00%
Future pensions increase	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption (CPI)	2.75%	3.00%
Commutation of pensions to lump sums	50%	50%

Notes to the Accounts *(Continued)*

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 2024	At 31 July 2023
	years	years
Retiring today		
Males	20.3	20.4
Females	23.3	23.3
Retiring in 20 years		
Males	21	21.2
Females	24.8	24.9

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

	Long-term rate of return expected at 31 July 2024	Fair Value at 31 July 2024	Long-term rate of return expected at 31 July 2023	Fair Value at 31 July 2023
		£'000		£'000
Equities	51%	38,728	68%	47,963
Gilts	-	-	-	-
Other bonds	-	-	-	-
Property	7%	5,316	7%	4,938
Cash	7%	5,316	4%	2,821
Other	35%	26,578	21%	14,812
Total fair value of plan assets		**75,938**		**70,534**
Actual return on plan assets		**5,734**		**(201)**

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2024	2023
	£'000	£'000
Fair value of plan assets	75,937	70,534
Present value of plan liabilities	(67,145)	(64,607)
Net pensions asset/(liability) (Note 18)	**8,792***	**5,927***

*The annual review has again returned a pension asset. As the asset will not crystalise the college has not recognised it on the balance sheet. At 31 July 2024 a £nil obligation has been recognised in the balance sheet with the asset written down against the actuarial gain.

Notes to the Accounts *(Continued)*

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

	2024	2023
	£'000	£'000
Amounts included in staff costs		
Current service cost	1,340	1,989
Administration expenses	-	-
Total	**1,340**	**1,989**

Amounts included in investment (expense)

Net interest on the net defined benefit pension liability	301	(573)
	301	**(573)**

Amount recognised in Other Comprehensive Income

	2024	2023
	£'000	£'000
Return on pension plan assets	-	-
Other actuarial losses	2,180	(2,625)
Changes in assumptions underlying the present value of plan liabilities	2,555	19,078
Experience (loss) / gain on defined benefit obligation	(2,215)	6,679
Asset not recognised	(8,792)*	(5,927)*
Amount recognised in Other Comprehensive Income	**(6,272)**	**17,205**

Movement in net defined benefit (liability) during year

	2024	2023
	£'000	£'000
Net defined benefit (liability) in scheme at 1 August	5,927	(16,141)
Movement in year:		
Current service cost	(1,340)	(1,989)
Employer contributions	1,384	1,498
Net interest on the defined (liability)/asset	301	(573)
Actuarial gain	2,520	23,132
Administration expenses	-	-
Net defined benefit (liability) at 31 July	**8,792***	**5,927***

*The annual review has again returned a pension asset. As the asset will not crystalise the college has not recognised it on the balance sheet. At 31 July 2024 a £nil obligation has been recognised in the balance sheet with the asset written down against the actuarial gain.

Notes to the Accounts *(Continued)*

Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	64,607	85,445
Current service cost	1,340	1,989
Interest cost	3,253	2,997
Contributions by Scheme participants	386	399
Changes in financial assumptions	(2,420)	(17,583)
Changes in demographic assumptions	(135)	(1,495)
Experience (gain) / loss on defined benefit obligation	2,215	(5,260)
Estimated benefits paid	(2,101)	(1,885)
Defined benefit obligations at end of period	**67,145**	**64,607**
Changes in fair value of plan assets		
Fair value of plan assets at start of period	70,534	69,304
Interest on plan assets	3,554	2,424
Return on plan assets (excluding net interest on the net defined benefit liability)	-	-
Other actuarial losses	2,180	(1,206)
Employer contributions	1,384	1,498
Contributions by Scheme participants	386	399
Estimated benefits paid	(2,101)	(1,855)
Administration Expenses	-	-
Fair value of plan assets at end of period	**75,937**	**70,564**

These results include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination. This allowance was incorporated into the accounting results as at 31 July 2019, and have been rolled forward and remeasured to obtain the accounting results as at 31 July 2023.

2023 Pension Increase order

The 2023 Pension Increase (PI) Order is used to set the level of pension increases, deferred revaluation and CARE revaluation with effect from 1 April 2023. This is expected to be significantly higher than the CPI assumption as at 31 July 2022. The PI Order is typically set with reference to the change in CPI inflation over the 12 months to the previous September (announced in October), so the 2023 PI Order is expected to be set with reference to the September 2022 CPI.

The change in CPI over the 12 months to August 2022 was 9.9% and so a similar increase over the 12 months to September 2022 is expected. The actual 2023 PI Order is not automatically set with reference to the September CPI. This is only known with certainty in March, once this has been approved by Parliament. It is possible that the actual PI Order will be lower than the change in CPI over the 12 months to September 2022.

The value of the obligations arising due to recognition of the 2023 PI Order based on the expected 2023 PI Order of 9.9% applying in 2023 to pensions in payment, deferred pensions and CARE revaluation has been recognised as an additional actuarial loss of £5,037,000.

Notes to the Accounts *(Continued)*

26 Related party transactions

The following employees of City of Wolverhampton Council have acted as governors of the College:

Ms A Shannon*	Chief Accountant	Appointed 23/07/18 (resigned 29/3/21)
Mr M Taylor	Deputy Chief Executive	Appointed 25/02/19 (Chair from 25/02/19)

*Ms A Shannon remains as an Associate Member of the Audit Committee but is no longer a Governor.

During the year transactions with City of Wolverhampton Council included purchases totalling £28,278 *(2023: £28,996)* and sales totalling £1,164,435 *(2023:* £975,220). At the year-end balances on the purchase ledger totalled £nil (*2023: £nil)*. Balances on the sales ledger at 31 July 2023 totalled £nil (*2023: £nil)*.

During the year transactions with City of Wolverhampton College Enterprises Ltd, where Malcolm Cowgill, Peter Merry, Louise Fall and Mark Taylor are Directors, included purchases totalling £634,810 *(2023: £620,272)*. At the year-end balances on the purchase ledger totalled £nil (*2023: £nil)*.

During the year transactions with Wolverhampton Homes, where Ian Gardner declared an interest, included purchases totalling £500 *(2023: £1,500)* and sales totalling £2,170 *(2023: £14,652)*. At the year-end there were no outstanding balances.

During the year transactions with William Gough, where John Gough declared an interest, included purchases totalling £101,663 (*2023: £1,500)* and sales totalling £1,293 (2023: *£nil*). At the year-end there were no outstanding balances.

During the year transactions with Wolverhampton Wanderers FC, where John Gough declared an interest, included purchases totalling £nil (*2023: £88,966*) and sales totalling £5,029 (*2023: £18,826*). Balances on the sales ledger at 31 July 2024 totalled £nil (*2023: £596*).

During the year transactions with The Way, where Louise Fall, Malcolm Cowgill, Peter Merry and John Gough declared an interest, included purchases totalling £25,000 (2023: £nil) and sales totalling £505 (2023: £1,325). At the year-end balances on the purchase ledger totalled £nil (2023: £nil) and sales ledger totalled £nil (2023: £nil).

During the year transactions with Thompson Audio Visual Communications Ltd, where Scott Thompson declared an interest, included purchases totalling £93,956 (2023: £nil). Balances on the purchase ledger at 31 July 2023 totalled £46,798 (2023: £nil).

Included in amounts owed by group undertakings, is a debtor balance of £32,000 (*2023: £29,000)* owing from City of Wolverhampton College Enterprises Limited, a 100% wholly owned subsidiary of City of Wolverhampton College.

27 Write offs, losses, guarantees, letters of comfort, compensation.

(a) Write offs and losses.
During the year the board approved the write off of bad debts totalling £28,714. Including within this was one debt totalling £5,000. All debts were pursued in line with the College's Financial Regulations and only when all options had been exhausted, including legal advice, did the College conclude that the debts were irrecoverable.

(b) Guarantees, letters of comfort and indemnities.
The College has a 100% owned subsidiary company (City of Wolverhampton College Enterprises Limited) to which it provides a letter of comfort to provide financial and non-financial support as the company requires, to enable it to meet its current liabilities as and when they fall due.

(c) Compensation payments and ex-gratia payments.
The College has not made any compensation or ex-gratia payments during the year.