

Members' Report and Financial Statements

For the year ended 31st July 2025



**Harrow, Richmond and
Uxbridge Colleges (HRUC)**

Members' report and financial statements

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Members' report

The members present their report and the audited financial statements for the year ended 31 July 2025.

Governing Body

The Corporation was established under the Further and Higher Education Act 1992.

Our Vision

To be an outstanding college group that inspires, transforms lives and creates futures.

Our Mission

To deliver an exceptional learning experience that creates opportunities and success for all. We stand for diversity, inclusion and excellence throughout everything we do, and provide outcomes that drive personal growth, wellbeing and economic opportunity.

Public benefit

HRUC is an exempt charity under 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 page 15.

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 benefit through the advancement of education:

- High quality teaching
- Excellent progression to higher education or employment for students
- Widening participation and tackling social exclusion
- Strong student support systems
- Links with employers, industry and commerce.

Strategic aims

Harrow, Richmond and Uxbridge Colleges (HRUC) was formed in January 2023 to create one of the largest further education colleges in England. Our HRUC portfolio includes our three vibrant further education colleges, the West London Institute of Technology, providing higher technical STEM qualifications, and HRUC Apprenticeships & Skills - providing a range of apprenticeships and support for businesses to develop their workforce. Our 2030 strategic intent is to be the college of choice, offering high quality programmes for young people that deliver the occupational competence needed to meet the demands of employers and allow them to thrive in their first job or career. Underpinning this strategic aim will be a college, and an employer that celebrates equality and diversity in its students and staff and is a thriving place to work.

The Governing Body monitors the performance of the College against its strategic plans, which are reviewed and updated each year.

Strategic Objectives

The College's strategy for 2023 to 2030 defines the following six strategic priorities:

- Aspiring and Delivering the First Career
- Economic Growth and Prosperity
- Outstanding Learner Experience
- Our People
- Sustainability and Delivering for our Planet
- Delivering for Students with Special Educational Needs

The College Senior Leadership Team is developing detailed operating plans under each of the strategic pillars to ensure the College successfully delivers on its strategic objectives.

Objectives for 2024/25

- The College achieved 8,805 16-18 students against the 2024/25 funding allocation target of 7,915. Harrow was at 2,007 against a target of 1,706, Richmond at 2,162 against a target of 1,963 and Uxbridge at 4,636 against a target of 4,246.
- The College achieved £62,628,582, of 16-18 funding against a target of £55,722,932; Harrow achieved £13,973,472 against a target of £12,312,921, Richmond achieved £15,606,627 against a target of £12,747,394 and Uxbridge achieved £33,048,483 against a target of £30,662,615.
- **HRUC Qualification Achievement Rates 2024/25 (QAR):**
 - HRUC 16-18, 17,103 enrolments are at a record breaking 87.6% achievement (86.6% last year). HRUC is now 6% above national average and are 1% up on the previous year. 19+ QAR is maintained at 86.4%, well above national average.
 - 16-18: A record-breaking high year for HRUC. All three colleges are very high. High grades are up. 16-18 QAR by college: Harrow College 88% (down 2%), Richmond College 85% (up 5%), Uxbridge College 89% (up 0.2%).
 - 19+ is good but not yet outstanding. Two of three colleges are high and one is poor (Richmond College). 19+ QAR by college: Harrow College 89% (up 1%), Richmond College 78% (equiv), Uxbridge College 86% (equiv).
 - Apprenticeships are up 4% on the previous year at 68%. This is 6% above national average. All three colleges are up.
 - Higher Education: A record-breaking high year for HRUC is very high at 98% (note +4% on previous year).
- Adjusted cash days in hand at 31 July 2025 were 132 (2024: 185)
- The current ratio was 1.77 (2024: 1.77)
- Accumulated reserves were 135.48% of income (2024: 162.72%)
- EBITDA as a % of income, education specific was 4.08% (2024: 5.44%)
- Staff Costs as a % of adjusted income 68.87% (2024: 68.29%)
- Financial Health Score Good (2024: Outstanding)

Financial Strategy

The College's financial policy is to deliver a sound forward planning framework that takes into account the specific challenges the College faces in the 2025-26 period and to achieve the College's overall financial plan by ensuring that decisions within our corporate development plans are grounded in commercial reality.

The principal strategy for achieving these objectives is to deliver long term financial stability that enables us to meet our strategic objectives.

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Department for Education ("DfE"). The College's financial health is assessed annually by the DfE. The College has self-assessed its financial health for 2024/25 as Good.

Financial Results

The College generated an operating surplus for the period of £1,097,000 (2024: £2,272,000) which includes the Local Government Scheme ("LGPS") FRS102 provision adjustments, generating a surplus of £966,000 (2024: £528,000).

The College has accumulated reserves of £138,796,000, non-current assets of £194,742,000 and cash balances of £34,062,000.

Fixed asset additions during the year amounted to £19,228,000 (2024: £25,573,000). This includes land and buildings development of £5,789,000 (2024: £1,894,000), spend on assets under construction of £9,057,000 for Barra Hall and Project Ambition, and equipment of £4,382,000 (2024: £4,827,000). Equipment additions and replacements relate to the IT infrastructure on all campuses, including immersive technology, laptops, PCs and mobile devices, and specialised equipment required for the curriculum.

The College has significant reliance on funding from the Department for Education (Agency funding), with total Agency funding accounting for 79.6% (2024: 83.3%) of income.

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.

The College's financial regulations detail the institutions the College is authorised to use, and a separate treasury management policy is in place.

Cash flows

The College reported a £4.8m net cash outflow (2024: £1.6m). This principally reflects the cash inflow from operations of £0.8m, and the outflow from investing activities of £5.4m (which includes £12.3m of deferred capital grants received) and financing activities of £0.2m.

Liquidity

The College did not have any external borrowings during the year.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

Funding target

The College is funded by the DfE and other funding bodies according to agreed student numbers and student activity targeted for the period. In 2024/25, the College's 16-18 learner numbers were above allocation by 890 students (11.2%) and achieved £62,628,582 against its allocation of £55,722,932.

The 19+ adult single allocation was also exceeded by 112% due to increase in English & maths and ESOL provision.

Student numbers

In 2024/25 the College delivered activity that has produced £62,628,582 in 16-18 Department for Education (DfE) main allocation funding (2023/24 -£52,869,467). The College achieved 8,805 16-18 students against a target of 7,915 which will impact the funding allocation for 2025/26.

Student retention

HRUC 16-18 student retention is very high (+3% higher than the National average and is up 1% on 2024/25. Importantly, achievement is up overall.

Teacher Qualifications

In 2024/25 80% of the permanent College teaching staff was fully qualified, (2023/24 80%) in line with the College's own target, with 100% of staff either fully qualified or undertaking training.

Links with Employers and Enterprise

The College engages with employers through a broad range of activities, notably Local Skills Improvement Plans partners whose collaborations are mutually beneficial in meeting the employers' community commitment, supporting their workforce development and enriching the learner experience.

We were proud to be judged strong for skills in the 2024/25 Ofsted inspection in recognition of our engagement with stakeholders to meet economic need.

Our engagement and partnership with our large and smaller employers, includes business benefits including Sector Based Work Academies, apprenticeships, industry and work placements that supports the personal development of our students and offers a talent pipeline for our partners. In 2024/25 we engaged with approximately 3,500 employers across these various opportunities.

Some of the partnerships are significant in their depth of anticipated outcomes; HRUC represents FE on the new Heathrow Local Growth Taskforce chaired by Lord Blunkett supporting their skills growth targets. The Heathrow Inclusive Learner Partnership has gained traction in the last year, creating excellent opportunities for our students with higher needs through industry engagement with Team Heathrow.

With HRUC leading on the Local Skills Improvement Funds in partnership with 7 local FE partners, the associated local skills improvement plans generated new opportunities within the economic priority sectors; the creation of the West London Institute of Technology Food and Drink Manufacturing Innovation and Skills Hub, HEI and FE partner objectives to meet the skills and innovation needs of the vast number of industries based predominantly in Park Royal; the NWL Health Care and Life Sciences Skills Workforce Development Forum is an excellent collaboration of NHS, FE and HE partners.

Locally we engage with employers to support the curriculum. We have over 500 employers engaging with apprentices, 3,500+ work experience partners provided placements for 5,000 FT and T level students across HRUC, and supported curriculum design, enterprise challenges, employer branded assignments, commissioned projects, guest lectures, workshops, workplace visits and knowledge exchange, including international partnerships developed through the Turing work experience projects. Our key industry advisors ensure our curriculum plan and delivery remains relevant in meeting economic need.

HRUC's Apprenticeships and Skills arm ensures the College secures its position as the largest FE apprentice provider in West London offering 30 standards across diverse sectors and constantly adding new areas to meet employer demand. The majority of our provision is level 3 and above delivery to 600+ apprentices in learning.

Our new relationship with Massachusetts Institute of Technology as the first educator through their Industrial Liaison Programme has provided some excellent opportunities for our students and industries.

We continue to work with employer bodies such as our local Chambers including Hillingdon, Richmond Upon Thames, and London, the South London Partnership and West London Business to identify and address future skills needs at regional levels and support events such as Hillingdon Business Expo and the Business Awards for West London Business, Richmond and Hillingdon Chambers.

Curriculum Developments

HRUC has now developed a new set of Strategic Aims to 2030 and our new Curriculum Ambition 2030 to drive robust curriculum area level Development Plans used across HRUC. The College has well developed 16-19 Study Programmes offering learners a balanced curriculum centred around a main vocational or academic qualification and maturing & expanding pilots to meet national qualification reform (including twelve T-Levels). HRUC has a significant emphasis on developing employability skills, in particular work ready skills and maths & English.

For 2025/26 they now make up 42% of all learners aim starts and the resource to deliver this have been revised and deployed accordingly. The former ensures an emphasis on providing students with experience of the world of work, including direct work experience, significant industry placements and opportunities to develop higher study skills as independent learners.

The White Paper/Skills for Jobs has further focused HRUC's drive to present a skills/employer responsive curriculum, one that is ratified through our employer partnership activity which while strong must now further develop. The College continues to adjust its curriculum portfolio in line with the demands of learners and industry- and this is reflected in Ofsted terms as Curriculum Intent.

There is a very good match between college provision and the declared LEP and WLA priority sector areas and 93% of 2025 full time courses have a named/significant employer link. This work will be enriched by our new Employer Advisory Groups. Further 2023/24 capital investment in specialist kit has supported STEM as a key area of the College's provision (includes Institute of Technology), with Schools of Engineering (Technology & Innovation and Mechanical & Electronic) and Science maintaining significant provision and strengthening links with and progression into employment. In addition to this, the new STEM building at Richmond College has been operational since September 2024.

For 2025/26, the College has seen material increases in priority sector areas: Construction, Health, and Science. The College's Academic (A levels/GCSE), Business curriculum areas remain popular with a notable increase in Construction students into 2024/25 also. Adult growth is slowed due to finding ceilings, not market demand. The College HE provision has grown for the second year, predominantly providing further progression for the College's existing students and to a growing international student cohort.

Strong links with universities such as Brunel University, Bournemouth University, Buckinghamshire New University and Westminster University have been maintained and these enable students in some higher-level courses to progress to second or final year degree courses. In response to increasing emphasis on Basic English & maths and despite the constrained funding environment, the College has maintained a consistent, School based management structure to oversee this work across HRUC.

Staff and student involvement

The College considers good communication with its governing body, staff and students to be critical. A class representative system operates, and students participate on a regular basis in the "Student Voice" and Special Interest Groups, whereby their views are sought on many areas of the College.

Student governors attend Corporation meetings and are members of the Student Shadow Board (SSB). The SSB meets termly to discuss specific issues that are being considered by the Corporation. The Student Governors provide a report on the SSB's views to each Corporation meeting.

A successful Student Council is in place, representing the views of all students across all campuses and key messages are corroborated in SLT Group Reviews and college wide learner surveys. Finally, the College undertakes two HRUC wide student surveys at the beginning and mid-point of the year, and now an added DfE lead London Learner Survey.

All activity listed, including significant CPD in 2024/25 and a further heightened approach to staff engagement captures topical context; MSTeams, exam strategies, parent engagement, staff & student wellbeing, staff induction approaches, and HNS objective setting.

Future Prospects

HRUC is focusing on its future growth prospects primarily through the HE (WLIOT), 19+ provision and apprenticeship growth. In addition, we are refreshing engagement with schools to increase our 16-18 enrolments.

The College's financial profile remains strong and meets the financial requirements set in the strategic aims.

Resources

Financial

The College continues to be financially stable, having ensured that efficiencies and value for money are embraced college wide. It is well placed to meet the many priorities and funding restrictions set out by the Agencies, whilst adapting to comply with and benefit from statutory, regulatory and policy changes facing the sector.

The College has £139,102m of net assets (2024: £138.910m) and no pension liability.

RESERVES

The College has a cash reserve policy calculated at £25.7m. This represents the operational costs of the College for a period of 3 months based on the most recent approved business plan or forecast. This is considered sufficient to meet its contractual liabilities in the event of a substantial financial shock which is to cover unexpected gaps in income and costs. The reserve policy is reviewed annually to be in line with current affairs.

PEOPLE

The College employs 1,148 people (2024: 1,014) of whom 496 or 43% are academic staff (2024: 460 or 45%).

GOING CONCERN

The College has carried out a formal assessment of the going concern principle in preparing for the signing of the financial statements. This assessment includes the financial position and reserves as at 31st July 2025, cash and investment balances and cash flow for the next 12 months, the 2025/26 budget approved by the Corporation, level of student recruitment in 2025/26 and known liabilities and commitments in the next 12 months. The Corporation considers the College has adequate resources to continue in operational existence for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

During 2024/25, the College continued to strengthen its system of internal control, including financial, operational, and risk management processes, to safeguard assets, reputation, and compliance with statutory obligations.

The Corporation, supported by the Audit and Risk Committee, maintains oversight of risk management arrangements. A College-level risk register was maintained and reviewed regularly, identifying key risks, their likelihood and impact, and mitigation actions. Risks were prioritised using a consistent scoring methodology.

During the year, the College reviewed and enhanced its Risk Management Governance Framework, revised the Strategic Risk Register, established the College Risk Management Group, and introduced changes to broaden and embed risk management across strategic, tactical, and operational levels. These improvements are designed to strengthen governance, assurance, and accountability, and will continue to be implemented and refined during 2025/26.

The College recognises that a range of external and internal factors may affect its ability to deliver strategic objectives. These include financial, operational, regulatory, and compliance risks. While not all risks are within the College's control, mitigation strategies are in place to reduce their potential impact. Other factors beyond those identified may also adversely affect performance."

1. Government funding

The College has considerable reliance on continued government funding through the education sector funding bodies and Office for Students (OFS). In 2024/25, 79.6% (2024: 83.3%) of the College's revenue was ultimately publicly funded. However, there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Planning at the College is dependent on the receipt of accurate and timely information from Government and the DfE regarding policy changes. Any delay in receipt of policy or funding changes can therefore have a significant effect on the financial and curriculum planning.

The College is aware of several issues which may impact future funding,

- Changes in policy following change of government in 2024
- Further reforms to the funding methodologies, in particular in relation to apprenticeship funding and the effects on the sector following the introduction of the levy in 2017
- The introduction of the insolvency regime in the sector, following the completion of the Strategic Area Reviews
- The impact of Budget on various income streams and additional costs associated with blended learning and increase of costs due to demand during this period.

These risks are mitigated in a number of ways:

- The College aims to broaden its income streams, including through other funding bodies, to reduce the reliance on the funding agencies

- By ensuring the College delivers high quality education and training
- By ensuring the College operates at maximum efficiency and effectiveness
- Regular review of curriculum offer to ensure it is relevant and appropriate
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- Regular dialogue with local schools to ensure awareness of funding changes and implications for students
- Regular updating with funding agencies on changes enacted and proposed
- Regular sensitivity analysis on funding changes

2. Tuition fee policy and student loans

Ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, HRUC will seek to increase tuition fees in accordance with the fee assumptions. The risk for the College is that demand falls off as fees increase. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students
- Close monitoring of the demand for courses as prices change
- Monitoring of the offer of competing providers

3. Maintain adequate funding of pension liabilities

Teachers' Pension Scheme (TPS)

- The TPS is an unfunded scheme. Contributions 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 sufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognized as an expense in the income statement in the periods during which the services are rendered by employees.

Hillingdon Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets 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 services income (costs) and the income (costs) of scheme introduction, benefit changes, settlements and curtailments. They are included as part of staff income (costs) as incurred.

Net interest on the defined benefit liability is also recognized in the Statement of Comprehensive Income and comprises the interest income (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 recognized in interest and other finance costs.

Actuarial gains and losses are recognized immediately in the Statement of Comprehensive Income.

When the present value of the LGPS obligations is less than the fair value of assets at year end, then the LGPS scheme has a surplus. The College will then assess whether this asset should be recognized as an asset if it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. If the surplus cannot be recovered, then a ceiling cap adjustment will be made to reduce the surplus.

- LGPS pension fund is in a net asset position as at 31 July 2025

Energy and Carbon Reporting

The college's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol - Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting are as follows:

HRUC (Harrow, Richmond and Uxbridge Colleges) Greenhouse gases emissions and energy use data for the period 1 August - 31 July.

Greenhouse gases emissions and energy use data for the period August – July	2024/25	2023/24
Energy consumption used to calculate emissions (kWh)	11,869,415	10,674,240
Gas	7,698,622 kWh	6,121,217 kWh
Electricity	4,170,793 kWh	6,121,217 kWh
Transport Fuel		

Scope 1 emissions in metric tonnes CO2e		
Gas consumption	14.62 tCO2e	11.19 tCO2e
Owned transport – minibuses	4.66 tCO2e	6.51 tCO2e
Total scope 1	19.28 tCO2e	17.7 tCO2e

Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	8.06 tCo2e	9.59 tCo2e

Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	6.03 tCo2e	5.86 tCo2e

Total gross emissions in metric tonnes CO2e		
Tonnes CO2e per member of staff	0.033 tCo2e	0.017 tCo2e

Scope 1 : Direct emissions
 Scope 2 : Purchased energy emissions
 Scope 3 : Value chain emissions

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, HRUC has many stakeholders. These include:

- Students;
- Staff;
- Governing Body;
- Funding bodies;
- Subcontractors;
- Local employers (with specific links);
- Local Authorities;
- Local schools;
- Government Offices/ Regional Development Agencies;
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies;
- Local Enterprise Panel.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by representation on local education, business and community groups.

Equal opportunities

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, class, gender reassignment and age. We strive vigorously to remove conditions that place people at a disadvantage, and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The College's Equality & Diversity and Inclusion Policy, is published on the College's intranet site along with the College's information on staff and students and the College's equality objectives (in line with the requirements of the Equality Act 2010). The College has adopted proactive strategies to recruit and support staff from black and minority ethnic backgrounds.

The College publishes an annual Equality and Diversity report and objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010.

The College considers all applications for staff roles from disabled persons, bearing in mind the aptitudes of the individuals concerned. 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 are equivalent to those for other employees.

An Equality Action Plan is published each year and monitored by managers and governors. An Equality & Diversity Forum, made up of a cross section of staff and chaired by an Assistant Principal, monitors the implementation and effectiveness of the Equality & Diversity Policy and action plans. Equality and Diversity training is provided for all staff and forms part of the College's Training and Development Plan.

Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Act 2001, and the Equality Act 2010:

- a. All new building work is closely monitored for Office for Disability Accommodations (ODA) compliance. Progress of the implementation and effectiveness is monitored at the Equality and Diversity Forum. Emergency access requirements for individual students and staff are identified through PEEPs – Personal Emergency Evacuation Plans.
- b. The College has appointed a Health and Safety Officer and a SENCO, who provide information, advice and arrange support where necessary for students and staff with disabilities.
- c. There is a list of specialist equipment, such as radio aids, IT equipment and other assistive technology that the College can make available for use by students.
- d. The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants 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.

- e. Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- f. Support and welfare services are described in the College Student handbook, which is issued to students at induction.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the college to publish information on facility time arrangements for trade union officials at the college.

Numbers of employees who were union members during the relevant period	FTE employee number
13	11

Percentage of time	Number of employees
0%	
1-50%	13
51-99%	
100%	

Total cost of facility time	£39,738
Total pay bill	£54,733,945
Percentage of total bill spent on facility time	0.07%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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Safeguarding

A programme of training in safeguarding is currently being implemented with 100% of all staff trained to date with a rolling programme to capture all staff and train new staff. The HRUC College has 24 designated Safeguarding officers in the permanent staff (8 Richmond, 8 Uxbridge, 8 Harrow) and also a lead member of the Governing Body for Safeguarding. The College is also represented at the London Borough of Hillingdon, Harrow and Richmond Local Safeguarding Boards and the HE/FE London Prevent Network.

Events after the reporting period

There are no events after the reporting period which are likely to have a material impact on the Colleges' future performance or financial position.

Going Concern

After making appropriate enquiries, the Governing Body considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to Auditors

The members who held office at the date of the 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. 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 Governing Body on 16th December 2025 and signed on its behalf by:

Susan Kingman
Acting Chair of the Corporation

Professional advisers

Independent auditors:
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Cubo Birmingham
Two Chamberlain Square
Birmingham
B3 3AX

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EC4 4JL

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91 Charterhouse Street
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EC1M 6HR

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2024 to 31st July 2025 and up to the date of approval of the annual report and financial statements.

Governance Code

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); and
- ii. In full accordance with the guidance to colleges from the FE Code of Good Governance ("the Code").

In the opinion of the Governors, the College is compliant with all the provisions of the Code and has been so throughout the year ended 31 July 2025, with the exception of some governance practices under Principles 5 and 6 where work to make improvements is nearing completion and is being monitored by the Search, Governance and Remuneration Committee. This opinion is based on an internal review of compliance with the Code reported to the Corporation in December 2025.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges, which it formally adopted in July 2015, now superseded by the FE Code of Good Governance.

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

The Governing Body

The members who served the Governing Body during the 2024/25 year and up to the date of signature of this report were as follows:

Name	Date Appointed/ Re-Appointed	Term Expires	Date Resigned	Membersh ip Status	Committees served	Attenda nce 2024/25
Sofia Barbosa-Boucas	Aug 2022	Aug 2026		External	CSQE Audit and Risk	56%
Simon Boulcott	Sep 2024	Aug 2028	July 2025	External	Audit and Risk Search, Governance and Remuneratio n	87%
Steven Cochran	Sep 2024	Sep 2025	Dec 2024	External	Commercial Operations	60 %
Grant Cooper	Mar 2025 Jul 2025	Jul 2029		External	Audit and Risk	80%
Sunitha Cee	Dec 2023	Dec 2024	N/A	External (co-opted)	Commercial Operations Finance and Resources	33%
Nicholas Davies (Chair)	Aug 2022 Oct 2025	Jul 2026		External	Search, Governance and Remuneration	100%
Nasim Khan	Sep 2024	Aug 2026	Jul 2025	External	Audit and Risk Strategic Transformation Committee	93%
Susan Kingman	Jan 2023	Dec 2026		External	Search, Governance and Remuneration, Finance and Resources, Strategic Transformation	93%
Sandeep Kutty	Jul 2025	Jul 2026		External (co- opted)	Audit and Risk	N/A
Jenny McLaughlin	Dec 2023 Dec 2024	Dec 2028		External	CSQE Search, Governance and Remuneration	94%
Divya Menon	Mar 2025 Oct 2025	Oct 2029		External	Finance and Resources	100%
Mario Michaelides	Aug 2022	Aug 2026		External	CSQE Audit and Risk	63%
Paul Miller	Jul 2024 Sep 2024	Aug 2028		External	Strategic Transformation Audit and Risk	80%
Niran Mothada	Mar 2025 Jul 2025	Jul 2029		External	Strategic Transformation	80%
Vincent Neate	Jan 2023	Dec 2026		External	Audit, CSQE	88%
Mel Nebhrajani	Jun 2023	Jun 2027		External	Search, Governance and Remuneration	88%
Amanda Priem	Sep 2024	Aug 2028		External	Finance and Resources Strategic Transformati on	87%

Sujit Reddy	Sep 2024	Aug 2028		External	Finance and Resources Search, Governance and Remuneration	93%
Mike Sutcliffe	Jan 2023	Dec 2026		External	CSQE Search Governance and Remuneration Finance and Resources	100%
Jo Swindells	Sep 2024 Oct 2025	Sep 2025 Oct 2029		External	CSQE	73%
Tracy Stuart*	Mar 2025	Mar 2026	Nov 2025	External (Co-opted)	CSQE	100%
Tracy Critchley	Oct 2023	Oct 2024		Staff		N/A
Hannah Talabany	Jan 2023	Nov 2026	Dec 2025	Staff	CSQE	67%
Cherry Horton Edwards	Oct 2024	Oct 2026		Staff	CSQE	100%
Gary May	Oct 2024 ,	Oct 2026		Staff		100%
Eduard Niga	Oct 2024	Oct 2026		Staff		40%
Tieran Morton	Mar 2025	Mar 2027		Staff		100%
Ella Brooks	Oct 2024	Jul 2025		Student		80%
Thomas Lock	Oct 2024	Jul 2025		Student		80%
Natasha Humphrey	Oct 2024	Dec 2024		Student		0%
Chiedza Masawai	Oct 2024	Jul 2025		Student		20%
Holly Taylor	Oct 2024	Jul 2025		Student		100%
Nazile Karim	Oct 2024	Jul 2025		Student		80%
Mohammad Barakat	Oct 2025	Jul 2026		Student		N/A
Sidrah Esaf	Oct 2025	Jul 2026		Student		N/A
Keith Smith	Nov 22	n/a		Chief Executive and Accounting Officer	Search, Governance and Remuneration, CSQE Strategic Transformation, Finance and Resources	100%

* Tracy Stuart was appointed as a co-opted Governor in March 2025 for an initial one-year term. However, she has not served as a Governor since taking on an interim Assistant Principal role at HRUC. This interim role ends on 31 December 2025.

Alasdair MacLeod was an External Adviser to the Corporation and a member of the Finance and Resources Committee during the 2024//25 financial year

CSQE = Curriculum Strategy and Quality Enhancement Committee, previously the Curriculum and Quality Assurance Committee

The Strategic Transformation Committee was previously known as the Commercial Operational Committee

Clerking arrangements

- Perry Perrott acted as Clerk to the Corporation in his role as Chief of Governance and Strategic Operations until 16 May 2025.
- Clare Mitchell acted as Clerk to the Corporation in her role as interim Director of Governance from 16 June 2025 to date.

7. Chairmanship

Following the merger between HCUC and Richmond upon Thames College (1 January 2023), Nicholas Davies was appointed as Chair of the Corporation and Steven Cochran was appointed Vice Chair of the Corporation of HRUC. Nicholas Davies continued as Chair of the Corporation during 2024/25. Susan Kingman and Nasim Khan served as joint Vice Chairs of the Corporation during the 2024/25 academic year.

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, curriculum and quality matters and human resources related matters such as health and safety, and environmental issues. The Governing Body meets formally five times a year and also holds two Strategy and Planning Days during each academic year (October and April).

The Corporation conducts its business through a number of committees. Each committee has formal terms of reference. During 2024/25 these committees were Finance and Resources, Audit and Risk, Curriculum Quality Assurance (last meeting December 2024), Curriculum Strategy and Quality Enhancement (first meeting March 2025), Commercial Operations (last meeting September 2024), Strategic Transformation (first meeting November 2024) and Search Governance and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.hruc.ac.uk from the Clerk to the Corporation at the College's registered address:

Park Road
Uxbridge
UB8 1NQ

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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

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

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

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

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search, Governance and Remuneration Committee, which is responsible for the selection and nomination of any new member for the Corporation's consideration. Both the Chair of the Corporation and the Chief Executive are members of this Committee. The Corporation is responsible for ensuring that appropriate training is provided as required. Governors have had access to the online ETF Governance Development Training programme since September 2022.

Members of the Governing Body are appointed for terms of office not exceeding 4 years. The FE Code of Governance recommends a maximum of two terms of four years. A succession plan was put in place in 2024/25 to ensure appropriate turnover on the Governing Body. This succession plan is reviewed annually.

Corporation Performance

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

The outcome of the College's Ofsted inspection on 12 November 2024 was an overall judgement of Good, with both behaviour and attitudes and personal development judged to be outstanding. The inspection report states that "Leaders and governors have high expectations for students and apprentices. Governors contribute positively to and have good oversight of the college's performance. They have a range of suitable skills, such as in finance, human resources and business, that they use very effectively to support the senior leadership team.... Governors understand clearly the College's strengths and areas to improve. They support and challenge leaders effectively."

The Corporation has begun a refresh of the strategic priorities set out in New Skills and New Careers, HRUC Strategic Plan for the period 2023-2030. This refresh will take account of the Government's priorities as articulated in the Post 16 Education and Skills White Paper.

The Corporation approved a Curriculum and Skills Ambition Strategy for the period 2025-30 in July 2025. This will drive the decisions that the College makes about the courses delivered and the facilities and staffing needed to do this. A road map for implementation is now being developed.

Following the College's financial performance in 2024/25, the Corporation, through the work of the Finance and Resources Committee, will be closely monitoring controls on expenditure and the accuracy of financial forecasting to ensure that the College regains its outstanding financial health grading for 2025/26.

A number of capital projects were initiated in the academic year 2024/25 to improve the facilities available to students across the College and to increase capacity for SEND provision including:

- Barra Hall - conversion of a Grade 2 Listed building to create a new centre of excellence for students with SEND
- Project Ambition at Uxbridge based on a programme of site wide improvements to improve the student experience
- A new modular unit at Harrow Weald to create expansion space for growth in SEND
- New catering training facilities at Hayes
- Conversion of the Whitehouse at Harrow on the Hill to create training facilities for the health and care sector.

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2025 and graded itself as good overall on the Ofsted scale. This follows a periodic external governance review completed in July 2024 that identified some areas for improvement. Actions to strengthen governance practice are nearing completion and are being overseen by the Search, Governance and Remuneration Committee.

There is a good balance of skills and experience on the Corporation, and this has been strengthened by the addition of some very capable new Governors during 2024/25. The report from the Ofsted inspection provides evidence of the Corporation's knowledge of the College's strengths and weaknesses and its ability to provide effective challenge to the Executive. The Corporation has taken steps to increase its engagement with students during 2024/25. A Student Shadow Board (SSB) was piloted in 2024/25 and is continuing in 2025/26. The SSB includes Student Governors as well as a range of other students. It discusses and reports back on issues of strategic significance to the Corporation.

To ensure continuous improvement, further work will take place in 2025/26 to strengthen governance practice and the relationship between the Corporation and the Executive Management Team.

The Corporation ran two Governor Training and Strategy days during the year (October 2024 and April 2025). The use of the GovernorHub cloud platform for sharing Corporation papers and governance documents continues to be effective.

Remuneration Committee

During 2024/25 the College's Search, Governance and Remuneration Committee was chaired by a Governor with HR expertise. Its membership included the Chair of the Corporation, one of the Vice-Chairs and the Chair of the Finance and Resources Committee. The Committee's responsibilities were to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior post holders.

Details of remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee comprises a minimum of five members of the Corporation, excluding the Accounting Officer, the Chair of the Corporation and the Chair of the Finance and Resources Committee. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

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

The College's programme of internal audit monitors the systems of internal control, risk management controls and governance processes. Specialist internal audit firms are commissioned as required and report their findings to management and the Audit and Risk Committee.

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

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

The Audit and Risk Committee met four times in the year to 31 July 2025. The members of the Committee during 2024/25 and their attendance records are shown below.

Committee member	Meetings attended
Nasim Khan	3 of a possible 4
Simon Boulcott	2 of a possible 4
Vincent Neate	4 of a possible 4
Sofia Barbosa Boucase	2 of a possible 4
Mario Michaelides	3 of a possible 4
Grant Cooper	1 of a possible 1

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

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in HRUC for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements.

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 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation
- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts
- Setting targets to measure financial and other performance
- Clearly defined capital investment control guidelines
- The adoption of formal project management disciplines, where appropriate

The College undertakes internal audit in accordance with the requirements of the DfE's College Finance Handbook. This work is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis.

As a minimum, the Audit and Risk Committee annually provides the Governing Body with a report on all Audit and Risk Committee activity during the year which includes a review of internal audit activity, external audit and any funding audit work undertaken in the College. The report includes the Committee's opinion based on the results of the audits on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

The Corporation identifies, evaluates and manages risk. The processes through which this is done are set out in the section above on capacity to handle risk. The principal risks and uncertainty facing the corporation are highlighted in pages 7 and 8 of the members' report above.

Control weaknesses identified

No significant issues or significant matters of internal control have been brought to the attention of the Committee or included in the reports of audit and assurance providers.

Responsibilities under the accountability agreement

The College has reviewed its policies, procedures and approval processes in line with the 2024/25 College Financial Handbook and its accountability agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit and Risk Committee

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

The specific areas of work undertaken by the audit committee in 2024/5 and up to the date of the approval of the financial statements are as follows:

Validera undertook an internal audit of key financial controls. The audit opinion was one of substantial assurance. Five areas of good practice were noted along with five recommendations for improvement, all of which were RAG rated as green. These recommendations will be implemented by management and monitored by the Committee. A Head of Internal Audit was recruited and started work in March 2025 focusing on the development of a full internal audit needs assessment and reviewing and strengthening the College's risk management arrangements. In addition, the Committee received assurance via a follow up audit that the recommendations from the safeguarding audit undertaken in March 2024 had been completed. HRUC also undertook a comprehensive suite of technology audits and assessments to evaluate its digital infrastructure, security posture, data maturity, and core systems. The progress made on implementing previous internal and external audit recommendations was presented to the Committee. 87% of the recommendations had been implemented and the remaining 13% were in progress. External Audit was provided by Cooper Parry. Progress has been made on implementing the two recommendations raised in the 2023/24 external audit findings report and these are expected to be fully completed by the time the external audit of the 2025/26 financial statements takes place.

The Committee's opinion is one of reasonable assurance in relation to the adequacy and effectiveness of the Corporation's assurance arrangements, framework for safeguarding, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets. The Committee is satisfied that it has sufficient assurance from the work undertaken during 2024/25 to provide this opinion.

Review of effectiveness

As Accounting Officer, the CEO 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 auditor
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- Comments made by the College's financial statements auditors, the reporting accountant for regularity assurance and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and Audit and Risk Committee also receive regular reports from internal audit, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports there on from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior leadership team and taking account of events since 31 July 2025.

Based on the advice of the Audit and Risk 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 safeguarding of its assets.

Approved by order of the members of the Governing Body on 16th December 2025 and signed on its behalf by:

.....
Susan Kingman
Acting Chair of the Corporation

.....
Keith Smith
Accounting Officer

Statement of Regularity, Propriety and Compliance

As Accounting Officer of the Corporation of Harrow, Richmond and Uxbridge Colleges, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding. I confirm that I, and the board of governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and DfE.

.....

Keith Smith
Accounting Officer

16 December 2025

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 College's accountability agreement, funding agreements and contracts with DfE and OfS, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE'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 disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report),
- and 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, (as amended) and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the Corporation, the Chair of the board of governors is responsible for discussing the Accounting Officer's statement of regularity, propriety and compliance with the Accounting Officer.

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 DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 16th December 2025 and signed on behalf of the Corporation.

Susan Kingman
Acting Chair of the Corporation

Independent Auditor's report to the Corporation of HRUC

Opinion

We have audited the financial statements of HRUC ("the College") for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of the College's income and expenditure, gains and losses and changes in reserves and of the cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education and relevant legislation.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Members of the Corporation are responsible for the other information. Other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's report to the Corporation of HRUC (continued)

Other information (continued)

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the Department for Education ("DfE") requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated.

Responsibilities of the Corporation

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

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

Independent Auditor's report to the Corporation of HRUC (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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our assessment focused on key laws and regulations the College has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the College Accounts Direction 2024 to 2025, the Framework and Guide for External Auditors and Reporting Accountants of Colleges March 2025, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the College's control environment and how the College has applied relevant control procedures, through discussions with Members and other management and by reviewing the reports on the internal scrutiny work commissioned by the College in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the College's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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.

Independent Auditor's report to the Corporation of HRUC (continued)

Use of our report

This report is made solely to the Corporation of the College, as a body, in accordance with the Further & Higher Education Act 1992. Our audit work has been undertaken so that we might state to the Corporation of the College those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Statutory Auditor
Cubo Birmingham
4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date:

Independent Reporting Accountant's Assurance Report on Regularity

To: The Corporation of HRUC and Secretary of State for Education

In accordance with the terms of our engagement letter dated 29 September 2023 and further to the requirements of Department for Education ("DfE"), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, 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 HRUC ("the College") during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the accounting officer of HRUC and the reporting accountant

The accounting officer is responsible, under the requirements of the corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that 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 extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. 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 2024 to 31 July 2025 have not been applied for the 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Independent Reporting Accountant's Assurance Report on Regularity (continued)

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

The work undertaken to draw to our conclusion includes:

- Reviewing the internal control policies and procedures implemented by the College and evaluating their design and effectiveness to understand how the College has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Members, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the College based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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 2024 to 31 July 2025 has not been applied for the purposes intended by Parliament, or that the financial transactions do not conform to the authorities which govern them.

Cooper Parry Group Limited Reporting Accountant

Cubo Birmingham
4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date:

Statements of Comprehensive Income
for the year ended 31 July 2025

	Note	2025 £'000	2024 £'000
Income			
Funding body grants	2	82,062	70,735
Tuition fees and education contracts	3	3,102	3,439
Other grants and contracts	4	12,667	7,263
Other income	5	3,065	1,605
Endowment and investment income	6	2,189	2,117
		<hr/>	<hr/>
Total income		103,085	85,159
		<hr/> <hr/>	<hr/> <hr/>
Expenditure			
Staff costs	7	68,344	56,142
Exceptional restructuring costs	7	124	-
Other operating expenses	9	25,372	20,342
Depreciation	12	8,114	6,392
Interest payable and other finance costs	10	34	11
		<hr/>	<hr/>
Total expenditure		101,988	82,887
		<hr/> <hr/>	<hr/> <hr/>
Surplus before other gains and losses		1,097	2,272
Gain / (loss) on disposal of assets		-	-
Gain / (loss) on investments	13	-	-
		<hr/>	<hr/>
Surplus on continuing operations		1,097	2,272
Taxation	11	-	-
		<hr/>	<hr/>
Surplus on continuing operations after depreciation of assets at valuation and tax		1,097	2,272
		<hr/> <hr/>	<hr/> <hr/>
Actuarial gain/(loss) in respect of pension scheme		(966)	(528)
		<hr/>	<hr/>
Total Comprehensive Gain/(Loss) for the year		131	1,744
		<hr/> <hr/>	<hr/> <hr/>

Statement of Changes in Reserves
for the year ended 31 July 2025

	Income and expenditure account £'000	Revaluation reserve £'000	Pension reserve £'000	Permanent Endowments £'000	Expendable endowments £'000	Total £'000
Balance as at 01 August 2024	134,423	4,253	-	202	32	138,910
Surplus from the income and expenditure account	120	-	966	11	-	1,097
Other comprehensive income	-	-	(966)	-	-	(966)
Transfers between revaluation and income and expenditure reserves	98	(98)	-	-	-	-
Transfers between restricted endowments and income and expenditure reserves	-	-	-	-	-	-
Balance as at 31 July 2025	134,641	4,155	-	213	32	139,041

	Income and expenditure account £'000	Revaluation reserve £'000	Pension reserve £'000	Permanent Endowments £'000	Expendable endowments £'000	Total £'000
Balance as at 01 August 2023	132,644	4,302	-	188	32	137,166
Surplus from the income and expenditure account	1,730	-	528	14	-	2,272
Other comprehensive income	-	-	(528)	-	-	(528)
Transfers between revaluation and income and expenditure reserves	8 49	(49)	-	-	-	-
Transfers between restricted endowments and income and expenditure reserves	-	-	-	-	-	-
Balance as at 31 July 2024	134,423	4,253	-	202	32	138,910

Balance Sheet
for the year ended 31 July 2025

	Note	2025 £'000	2024 £'000
Non current assets			
Tangible assets	12	194,497	183,383
Investments	13	-	-
Endowment assets	13	245	234
		<u>194,742</u>	<u>183,617</u>
Current assets			
Stock		34	43
Debtors	14	7,316	6,759
Cash at bank and in hand	20	34,062	38,891
Investments	15	-	-
		<u>41,412</u>	<u>45,693</u>
Creditors: Amounts falling due within one year	16	(23,312)	(25,856)
		<u>18,101</u>	<u>19,837</u>
Net current assets			
		<u>18,101</u>	<u>19,837</u>
Total assets less current liabilities		212,842	203,454
Creditors: Amounts falling due after more than one year	17	(73,273)	(64,050)
Provisions for liabilities and charges			
Defined benefit obligations	21	-	-
Other provisions	19	(467)	(494)
		<u>139,102</u>	<u>138,910</u>
Total net assets			
		<u>139,102</u>	<u>138,910</u>
Restricted reserves			
Expendable endowments	13	32	32
Permanent endowments	13	213	202
Unrestricted reserves			
Income and expenditure account		134,641	134,423
Revaluation reserve		4,155	4,253
		<u>139,041</u>	<u>138,910</u>
Total funds			
		<u>139,041</u>	<u>138,910</u>

The financial statements on pages 32 to 62 were approved by the Corporation on 16th December 2025 and were signed on its behalf by:

.....
Susan Kingman
Acting Chair of Corporation

.....
Keith Smith
CEO

Statement of Cash Flows

for the year ended 31 July 2025

	2025 £'000	2024 £'000
Cash flow from operating activities		
Surplus / (Deficit) for the year	1,097	2,272
Adjustment for non cash items		
(Gain) from acquisition	-	-
Profit on sale of fixed assets	-	-
Depreciation	8,114	6,392
(Increase)/ decrease in stocks	9	3
(Increase)/decrease in debtors	(557)	10,558
Increase / (decrease) in creditors due within one year	(2,483)	4,901
Increase / (decrease) in creditors due after one year	(133)	(219)
Increase / (decrease) in provisions	(27)	(52)
Pension costs less contributions payable	(966)	(528)
Transfer to / (from) reserves	-	-
Taxation	-	-
Adjustment for investing or financing activities		
Investment income	(1,506)	(1,886)
Interest payable	3	11
Taxation paid	-	-
Release of deferred capital grants	(2,738)	(1,979)
Endowment depreciation/(appreciation)	(11)	(14)
Net cash flow from operating activities	<u>802</u>	<u>19,457</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets	-	-
Investment income	1,506	1,886
Payments made to acquire fixed assets	(19,228)	(25,573)
Receipt of deferred capital grants	<u>12,336</u>	<u>3,007</u>
	<u>(5,386)</u>	<u>(20,680)</u>
Cash flows from financing activities		
Interest paid	-	-
Interest element of finance lease rental payments	(3)	(11)
Capital element of finance lease rental payments	<u>(242)</u>	<u>(335)</u>
	<u>(245)</u>	<u>(346)</u>
Increase / (decrease) in cash and cash equivalents in the year	<u>(4,829)</u>	<u>(1,569)</u>
Cash and cash equivalents at beginning of year	<u>38,891</u>	<u>40,459</u>
Cash and cash equivalents at end of year	<u>34,062</u>	<u>38,891</u>

Notes to the Accounts

1 Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP) and in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Going concern

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

The College has carried out a formal assessment of the going concern principle in preparing for the signing the financial statements. This assessment includes the financial position and reserves as at 31st July 2025, cash and investment balances and cash flow for the next 12 months, the 2025/26 budget approved by the Corporation, level of student recruitment in 2025/26 and known liabilities and commitments in the next 12 months. The Corporation considers the College has adequate resources to continue in operational existence for the foreseeable future.

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

Recognition of income

The recurrent grant from the Department for Education (DfE) is that receivable as determined by the results of the funding audit undertaken. The recurrent grant from OFS represents the funding allocation attributable to the current financial year and is credited direct to the income and expenditure account.

1 Statement of accounting policies (continued)

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the adult learner responsive funding element is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end. Employer responsive grant income is recognised based on a year end reconciliation of income claimed and actual delivery with the Department for Education (DfE). 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Other discrete grants received during the year are taken to income as expenditure is incurred in line with the specific terms and conditions attached to each fund by the funding bodies.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Non-recurrent grants from the Department for Education (DfE) or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis. Income from restricted purpose endowment funds not expended in accordance with the restrictions of the endowment in the period is transferred from the income and expenditure account to accumulated income within endowment funds.

1 Statement of accounting policies (continued)

Post retirement benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

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

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

Local Government Pension Scheme (LGPS)

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

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

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

Further details of the pension schemes are given in note 21.

Short term employment benefits

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

Enhanced Pensions

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

Tangible fixed assets

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life. On adoption of FRS 102, the College followed the transitional provisions to retain the book value of land and buildings, which were revalued in 1996, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 102.

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

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Assets capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the assets life beyond that conferred by repairs and maintenance

Buildings owned by third parties

Where land and buildings are used, but the legal rights are held by a third party (for example a charitable trust), they are only capitalised if the College has rights or access to ongoing future economic benefit.

These assets are then depreciated over their expected useful economic life.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

Inherited equipment is depreciated on a straight line basis over its remaining useful economic life. All other equipment is depreciated over its useful economic life as follows:

Motor vehicles and general equipment	10 years
Computer equipment	3 years
Furniture and fittings	5 years

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

Investments and endowment assets

Fixed asset investments are carried at historical cost less any provision for impairment in their value.

Listed investments held as fixed assets or endowment assets are stated at fair value.

Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

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 year with all resulting exchange differences being taken to the income and expenditure account 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 Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of 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.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

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.

Cash deposits that have a maturity of greater than 3 months are included as current asset investments.

Cash for the purposes of the cash flow statement comprises cash in hand and the short-term deposits included in current asset investments less overdrafts repayable on demand.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds. Related payments received from the main funding bodies and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in note 26 except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other Key sources of estimation uncertainty

- 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 and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. 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.

To the extent that there is a surplus in the Local Government Pension Scheme at the Balance Sheet date, there is significant judgement needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the College, as the employer, has an unconditional right to a refund of the surplus.

Notes (continued)

2 Funding body grants

	2025 £'000	2024 £'000
Recurrent grants		
Department for Education - 16-18	63,120	54,331
Greater London Authority - Adult Skills Fund	8,857	8,413
Department for Education - Adult Skills Fund	336	287
Office for Students	364	312
Specific grants		
Teachers Pension Scheme contribution grant	2,463	1,857
Post 16 National Insurance Grant	310	-
Department for Education - Work Placement Capacity and Delivery	82	-
Department for Education - 16-19 tuition fund	-	726
Work-based learning *	2,639	2,188
Programmes for the Unemployed *	351	234
Greater London Authority Skills Recovery *	452	388
Other (LSF admin fee)	350	20
Releases of agency capital grants:		
Buildings (note 19)	1,585	1,557
Equipment (note 19)	1,153	422
	82,062	70,735

* The income shown above represents that earned by the College in its capacity both as a provider and as the contracting lead.

All payments to subcontractors for delivery of provision towards the main funding body targets have been excluded from the total funding council grant amounts disclosed above. Total income claimed in the year under this arrangement and related payments to partners were as follows:

	2025 £'000	2024 £'000
Work-based learning		
Work-based learning income	2,639	2,188
Net income	2,639	2,188
	2024 £'000	2024 £'000
AEB & Programmes for the Unemployed		
AEB and Programmes for the Unemployed income	351	494
Payments to non College partners	-	(260)
Net income	351	234

Notes (continued)

2 Funding body grants

	2025	2024
	£'000	£'000
Greater London Authority Skills Recovery		
NSF	<u>452</u>	<u>388</u>
Net income	<u><u>452</u></u>	<u><u>388</u></u>
	2025	2024
	£'000	£'000
OfS Grant and Fee Income		
Grant income from the Office for Students	364	312
Fee income for taught awards (exclusive of VAT)	<u>1,354</u>	<u>1,468</u>
	<u><u>1,718</u></u>	<u><u>1,780</u></u>

Notes (continued)

3 Tuition fees and education contracts

	2025 £'000	2024 £'000
Tuition Fees	3,017	3,359
Education contracts	85	80
	3,102	3,439

Tuition fees funded by bursaries

There are no bursaries included in the above amounts (2023/24: £nil).

4 Other grants and contracts

	2025 £'000	2024 £'000
Other grants and contracts	1,513	887
High needs support	11,154	6,376
	12,667	7,263

5 Other income

	2025 £'000	2024 £'000
Catering	1,647	1,072
Other income generating activities	203	218
Other income	1,216	315
	3,065	1,605

6 Endowment and investment income

	2025 £'000	2024 £'000
Gain/(Loss) from permanent endowment asset investments (note 13)	11	14
Interest Receivable	1,506	1,886
Pension Finance Income	672	217
	2,189	2,117

Notes (continued)

7 Staff numbers and costs

The average number of persons employed by the group (including key management personnel) during the year was as follows:

	2025	2024
Teaching	496	460
Non-teaching staff	652	554
	1,148	1,014

The numbers above exclude estimates of the staff numbers employed through contracting out arrangements.

	2025 £'000	2024 £'000
Wages and salaries	41,781	40,173
Social security costs	4,613	3,045
Pension costs including FRS 102 adjustments	8,684	6,300
Payroll sub total	55,078	49,518
Contracted out staffing costs	13,267	6,624
Exceptional restructuring costs	124	-
Total staff costs	68,468	56,142

Notes (continued)

The College paid 5 severance payments in the year, disclosed in the following bands

	Number of Severance Payments
Severance Payment Amount	
£0-£25,000	5

Included in staff restructuring costs are special severance payments totalling £72,804 (2024: £nil). Individually, the payments were £2,883, £14,971, £15,750, £18,200 and £21,000.

Notes (continued)

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

7 Staff numbers and costs (continued)

	2025 Number of senior post- holders	2025 Number of other staff	2024 Number of senior post- holders	2024 Number of other staff
£60,000 to £65,000		5		4
£65,001 to £70,000		6		5
£70,001 to £75,000		4		3
£75,001 to £80,000		3		4
£80,001 to £85,000		4		2
£85,001 to £90,000		2		3
£90,001 to £95,000				1
£100,001 to £105,000	1			
£105,001 to £110,000	1		1	
£110,001 to £115,000	3		2	
£115,001 to £120,000	1			
£130,001 to £135,000			1	
£135,001 to £140,000	1		1	
£140,001 to £145,000	1			
£145,001 to £150,000	1			
£170,000+	1		1	
	<u>10</u>	<u>24</u>	<u>6</u>	<u>22</u>

Including part time worked grossed up to full time equivalent.

A general pay award of 5.5% (2023/24: 6.5%) was made with effect from 1 August 2024. This was approved by the Governing Body.

Notes (continued)

8 Emoluments of key management personnel

Key management personnel are defined as members of the executive management team.

	2025	2024
	Number	Number
The number of senior post-holders, including the Accounting Officer, was	<u>10</u>	<u>6</u>

Key management personnel emoluments are made up as follows:

	2025	2024
	£'000	£'000
Salaries	1,012	838
Employers' National Insurance	146	108
Benefits in kind	3	123
Pension contributions	177	6
Pension Allowance	58	-
Car Allowance	4	-
	<u>1,400</u>	<u>1,075</u>

The above emoluments include amounts payable to the Accounting Officer (who is the highest paid senior

	2025	2024
	£'000	£'000
Salaries	195	180
Performance related pay and bonus	15	15
Pension contributions	40	37
Car Allowance	4	-
Benefits in kind	1	1
Employers National Insurance	<u>35</u>	<u>31</u>
	<u>290</u>	<u>264</u>

The Governing Body adopted the AoC Senior Staff Remuneration Code in July 2019 and continues to assess pay in line with its principles.

The remuneration package of Senior Postholders, including the Chief Executive, is subject to annual review by the Remuneration Committee of the Governing Body. The Committee justifies the remuneration on the grounds of demonstrable value and performance delivered, with reference to sector benchmarking and wider market comparisons. Decisions are informed by transparent processes for judging performance and total emoluments, ensuring alignment with institutional priorities and accountability to stakeholders

Notes (continued)

8 Emoluments of key management personnel

Accounting Officer's remuneration as multiple of the median pay for all other employees (on a FTE basis):

	2025	2024
Multiple based on basic salary	5.27	4.86
Multiple based on total remuneration	6.46	5.86

The members of the Corporation, other than the Accounting Officer and any staff members, did not receive any payments from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties as disclosed on Note 24.

Agency staff have been excluded from the total remuneration because the College does not record amounts paid to agencies for agency staff in a manner which allows the inclusion of individual agency staff in the calculation of pay ratios. In addition casual staff have been excluded due to the difficulty in assigning a full-time equivalent value to these flexible employees.

Notes (continued)

9 Other operating expenses

	2025	2024
	£'000	£'000
Teaching costs	5,876	3,328
Non teaching costs	9,127	8,305
Premises costs	10,369	8,709
	25,372	20,342

Other operating expenses include:

Auditors remuneration:

Financial statements audit	74	111
Internal audit	25	21
Depreciation	8,114	6,392

10 Interest payable

	2025	2024
	£'000	£'000
On bank loans and overdrafts:		
Lease Finance cost	3	11
Enhanced Pension finance (income)/costs	31	-
	34	11

Notes (continued)

11 Taxation

The members do not believe the College was liable for any corporation tax arising out of activities during either period.

12 Tangible fixed assets

	Assets under Construction	Freehold Land & Buildings	Equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2024	28,102	183,206	49,573	260,881
Transfer	(28,102)	27,540	562	-
Additions	9,057	5,789	4,382	19,228
Disposals	-	-	-	-
At 31 July 2025	9,057	216,535	54,517	280,109
Accumulated depreciation				
At 1 August 2024	-	36,410	41,088	77,498
Charge for year	-	3,544	4,570	8,114
Eliminated in respect of disposals	-	-	-	-
At 31 July 2025	-	39,954	45,658	85,612
Net Book Value				
At 31 July 2025	9,057	176,581	8,859	194,497
At 31 July 2024	28,102	146,796	8,485	183,383

Notes (continued)

12 Tangible fixed assets (continued)

The transitional rules set out in FRS 102 *Tangible Fixed Assets* have been applied. Accordingly, the book values at implementation have been retained.

Land and buildings were valued for the purpose of the 1994 financial statements at depreciated replacement cost by a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes. Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis with the assistance of independent professional advice.

13 Investments

	2025 £'000	2024 £'000
Investment in subsidiary company at cost	-	-
Investment in associated undertakings	-	-
Other non current asset investments	-	-
	-	-

	£'000	£'000	£'000
	Restricted Expendable	Restricted Permanent	Total
At 1st August 2024:	32	202	234
Depreciation of endowment assets investments	-	-	-
Income for year (interest received)		11	11
Disposal	-	-	-
As 31st July 2025	32	213	245
Capital	32	202	234
Accumulated Income	-	11	11
	32	213	245

Restricted Expendable Endowment - Gavin Taylor Fund
Restricted Permanent Endowment - Ormsby Fund

Notes (continued)

14 Debtors

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	1,345	5,148
Sundry Debtors	3,599	-
Prepayments and other debtors	2,372	1,611
	7,316	6,759

15 Current investments

	2025 College £'000	2024 College £'000
Short term deposits	-	-
Total	-	-

16 Creditors: Amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	1,463	1,766
Other taxation and social security	2,201	1,727
Accruals and deferred income	15,135	16,650
Holiday pay accrual	1,370	1,300
Leases Current	30	266
Deferred income - capital grants	2,802	2,456
Deferred income - government revenue grants	-	257
Amounts owed to the DfE/GLA	312	1,434
	23,312	25,856

17 Creditors: Amounts falling due after more than one year

	2025 £'000	2024 £'000
Deferred income - capital grants	73,273	64,020
Leases Non-Current	-	30
	73,273	64,050

Notes (continued)

18 Deferred capital grants

College	DfE £'000	Other grants £'000	Total £'000
At 1 August 2024:			
Land and buildings	62,881	1,001	63,883
Equipment	1,823	771	2,594
Cash received:			
Land and buildings	2,202	8,013	10,215
Equipment	1,744	376	2,121
Release to income and expenditure accou			
Land and buildings	(974)	(630)	(1,603)
Equipment	(834)	(301)	(1,134)
At 31 July 2025			
Land and buildings	64,110	8,385	72,494
Equipment	2,734	847	3,580
	66,843	9,231	76,075

Notes (continued)

19 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2024:	-	494	494
Expenditure in the period Restricted	-	(27)	(27)
At 31 July 2025	-	467	467

EPP note	2025	2024
Principal assumptions for the EPP calculation are		
Price inflation	2.70%	2.60%
Discount rate	5.50%	4.80%

20 Cash and Cash equivalents

	at 1 August 2024 £'000	Cashflows £'000	At 31 July 2025
Cash and cash equivalents	38,891	(4,829)	34,062
	38,891	(4,829)	34,062

Notes (continued)

21 Pensions and similar obligations

The College' employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non teaching staff which is managed by Hillingdon Local Authority. Both are multi employer schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the LGPS was on 31 March 2022. The latest actuarial review of the TPS was carried out in 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024. The Department provided additional funding to cover the increase in the employer contribution rate for directly funded scheme employers for the financial year 2024/25.

Total pension cost for the year	2025	2024
	College	£'000
	£'000	
Teachers Pension Scheme: contributions paid	5,274	3,527
Local Government Pension Scheme:		
Contribution paid	3,067	3,084
FRS 102 (28) charge	(294)	(311)
Charge to the Statement of Comprehensive Income	2,773	2,773
Enhanced pension charge to Statement of Comprehensive Income		
Total Pension Cost for Year within staff costs	<u>8,047</u>	<u>6,300</u>

Teachers' Pension Scheme

Introduction

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

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

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

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

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

Notes *(continued)*

21 Pensions and similar obligations *(continued)*

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

The pension costs paid to TPS in the year amounted to £5,274,000 (2024: £3,527,000)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Hillingdon Local Authority. The total contribution made for the year ended 31 July 2025 was £4,044,000 of which employer's contributions totalled £3,067,000 (inclusive of FRS102 charge) and employees' contributions totalled £977,000.

For the period 1 August 2024 to 31 July 2025 the employer's contribution rate was 23.7% from August 2024 to March 2025 and 20.0% from April 2025. The employer rate was reduced because of the Pension fund being in a surplus position. The employee contribution rate for the same period remained in a range between 5.5% and 12.5 % dependent on spinal point and whether staff are term time only or full time. There are no changes to these contribution rates for the 2024/25 financial year.

Notes (continued)

21 Pensions and similar obligations (continued)

FRS 102 - Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund as at 31 March 2022 updated to 31 July 2025 by a qualified independent actuary.

	31 July 2025	31 July 2024	31 July 2023	31 July 2022	31 July 2021
RPI Inflation	n/a	n/a	n/a	n/a	n/a
Inflation assumption (CPI)	2.75%	2.75%	3.00%	2.75%	2.85%
Rate of increase in salaries	3.25%	3.25%	3.80%	3.05%	3.15%
Rate of increase in pensions	2.75%	2.75%	3.00%	2.75%	2.85%
Discount rate for liabilities	5.80%	5.00%	5.05%	3.50%	1.60%

On advice from our actuaries, an allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. Life expectancy as at 31 July 2025 is based on the Fund's Vita Curves. Average future life expectancies at retirement age 65 are summarised below:

	At 31 July 2025	At 31 July 2024
<i>Current pensioners</i>		
Males	21.6 years	21.4 years
Females	24.8 years	24.8 years
<i>Future pensioners</i>		
Males	22.5 years	22.3 years
Females	25.7 years	25.7 years

The College's share of the assets in

	24/25	23/24	22/23
	Long term rate of return expected at 31 July 2025	Long term rate of return expected at 31 July 2024	Long term rate of return expected at 31 July 2023
	Value at 31 July 2025	Value at 31 July 2024	Value at 31 July 2023
	£'000	£'000	£'000
Equities	79,186	66,916	55,846
Bonds	34,731	34,089	32,391
Property	16,671	17,676	17,871
Cash	8,335	7,575	5,585
Total market share of assets	9.0%	9.0%	2.7%
	<u>138,923</u>	<u>126,256</u>	<u>111,693</u>
	£'000	£'000	£'000
College's estimated asset share	138,923	126,256	111,693
Present value of scheme liabilities	(104,069)	(112,881)	(107,457)
Present value of unfunded liabilities	(50)	(76)	(97)
Surplus / (Deficit) in the scheme	<u>34,804</u>	<u>13,299</u>	<u>4,139</u>

Notes (continued)

21 Pensions and similar obligations (continued)

Analysis of the amount recognised in Statement of Comprehensive Income

	2025	2024
	£'000	£'000
Amounts included in staff costs		
Employer (current) service cost (net of employee contributions)	2,773	2,714
Past service cost	-	59
Total operating charge	<u>2,773</u>	<u>2,773</u>

Analysis of pension finance (cost)/income

	2025	2024
	£'000	£'000
Interest on pension scheme assets	6,350	5,674
Interest on pension scheme liabilities	(5,678)	(5,457)
Pension finance income/(cost)	<u>672</u>	<u>217</u>

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

	2025	2024
	£'000	£'000
Fair value of plan assets	104,119	112,957
Present value of plan liabilities	(104,069)	(112,881)
Present value of unfunded liabilities	<u>(50)</u>	<u>(76)</u>
Net pension (liability)	<u>-</u>	<u>-</u>
Asset ceiling restriction applied	<u>(21,505)</u>	<u>(9,161)</u>

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

	2025	2024
	£'000	£'000
Amounts included in staff costs		
Current service cost	2,773	2,714
Past service cost	<u>-</u>	<u>59</u>
Total	<u>2,773</u>	<u>2,773</u>
Amount included in investment income		
Net interest income/(costs)	<u>672</u>	<u>217</u>
	<u>672</u>	<u>217</u>
Amounts recognised in Other Comprehensive Income		
Actuarial movements in period	20,539	8,633
Asset ceiling restriction applied	<u>(21,505)</u>	<u>(9,161)</u>
Amount recognised in Other comprehensive Income	<u>(966)</u>	<u>(528)</u>

Notes (continued)

21 Pensions and similar obligations (continued)

Asset and Liability Reconciliation

	2025 £'000	2024 £'000
Reconciliation of liabilities		
Liabilities at start of period	112,957	107,554
Service cost	2,773	2,714
Interest cost	5,678	5,457
Employee contributions	977	817
Other experience	(1,107)	3,564
Changes in demographic assumptions	494	(226)
Changes in financial assumptions	(15,289)	(4,426)
Benefits paid	(2,357)	(2,547)
Unfunded benefits paid	(7)	(9)
Contributions in respect of unfunded benefits paid	-	-
Effect of business combinations and disposals	-	-
Past service cost	-	59
Curtailments and settlements	-	-
	104,119	112,957
Reconciliation of Assets		
Assets at start of period	112,957	107,554
Interest on plan assets	6,350	5,674
Return on plan assets	4,637	7,545
Employer contributions	3,060	3,075
Contributions by scheme participants	977	817
Benefits paid	(2,357)	(2,547)
Unfunded benefits paid	(7)	(9)
Effect of business combinations and disposals	-	-
Contributions in respect of unfunded benefits paid	7	9
Other experience	-	-
Restriction on gain	(21,505)	(9,161)
Assets at end of period	104,119	112,957
Movement in deficit during year		
	£'000	£'000
Net defined liability in scheme at 1 August	-	-
Movement in year:		
Current service cost	(2,773)	(2,714)
Employer Contributions	3,067	3,084
Past service costs	-	(59)
Losses on curtailments	-	-
Net interest on the defined (liability) / asset	672	217
Effect of business combinations and disposals	-	-
Actuarial gain (loss)	20,539	8,633
Restriction on gain	(21,505)	(9,161)
Net defined benefit (liability) / asset at 31 July	-	-

Notes (continued)

22 Capital commitments

	2025	2024
	£'000	£'000
Authorised and contracted	14,853	1,718
Authorised not yet contracted	-	-
Commitments contracted for at 31 July	<u>14,853</u>	<u>1,718</u>

The capital commitments contracted for as at 31 July 2025 relate to the infrastructure works at Richmond College, refurbishment of Barra Hall and White House and Phase 2 of Project Ambition.

23 Financial commitments

At 31 July 2025, the College had annual commitments under non-cancellable operating leases as follows:

	2025	2024
	£'000	£'000
Future minimum lease payments due		
Other		
Not later than one year	137	135
Later than one year and not later than five years	74	209
Later than five years	-	-
Total lease payments due	<u>211</u>	<u>344</u>

Notes (continued)

24 Related Party Transactions

Due to the nature of the College's operations and the composition of the Governing Body (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest.

All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid on behalf of the Governors during the year was £ 2,559 (2023/24 £ 2,615).

The College pays for professional indemnity insurance for staff, including Governors. The amount paid for Governors cannot be separated out.

25 Post balance sheet events

Details of post balance sheet events are given in the report of the members of the Corporation.

26 Amounts Disbursed as Agent

Learner support funds

	2025	2024
	£000s	£000s
Discretionary Learner Support Fund Allocations (including Bursary for 24+ Loans)	1,580	1,450
	<hr/> 1,580	<hr/> 1,450
Learner Support Funds Disbursed	(1,152)	(1,299)
Administration costs	(61)	(16)
Balance at 31 July	<hr/> 367 <hr/>	<hr/> 135 <hr/>

Agency grants are available solely for students. In the majority of instances, the College acts only as paying agent. In these circumstances, the grants and related disbursements have therefore been excluded from the accounts, other than when the College has directly incurred expenditure itself.