

Members' Report and Financial Statements

For the year ended 31st July 2024



A merger between

**Uxbridge College, Harrow College
and Richmond College**

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 2024.

Governing Body

The Governing Body was established under the Further and Higher Education Act 1992 for the purpose of conducting HRUC.

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 vision is to be the college of choice, offering high quality programmes for young people that deliver the occupational competence needed to thrive in that first job or career. Meeting the demands of employers is the other half of our core purpose. Our vision is for a college group that delivers occupational routes for anyone wanting to train or retrain. Underpinning this core vision will be a college, and an employer that celebrates equality and diversity in its learners 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 2023/24

- The College achieved 7,960 16-18 learners against the 2023/24 funding allocation target of 7,464. Harrow was at 1,702 against a target of 1,567, Uxbridge at 4,285 against a target of 3,962 and Richmond at 1,973 against a target of 1,935.
- The College achieved £52,869,467 of 16-18 funding against a target of £50,212,674; Harrow achieved £11,112,176 against a target of £11,970,470, Uxbridge achieved £28,551,410 against a target of £25,841,104, and Richmond achieved £13,205,881 against a target of £12,401,100.
- HRUC Qualification Achievement Rates (QAR):
 - 16-18 Harrow 89.8%, Richmond 79.5%, Uxbridge 88.6% (HRUC 86.5%). All three colleges have shown improvement on 2022/23. Richmond recorded an increase of +4% but remains below the National average. HRUC will be above National averages, though we await the 2023/24 national averages which will be released in March 2025.
 - Similarly, 19+ headline QAR 2023/24 Harrow 88.1%, Richmond 77.9%, Uxbridge 86.4% (HRUC 86.4%). There was a 7% decrease in Richmond 19+ QAR from 22/23 due to a reduction in subcontracting provision. Overall, for HRUC, 19+ QAR remained at 86.4%, as per 2022/23 – National average figures not yet available.
- Overall WBL QAR (HRUC) has seen a significant increase to 64.3%, an increase of +12% compared with 52.1% in 22/23, also above the National average.
- Adjusted cash days in hand at 31 July 2024 were 185 (2023: 232)
- The current ratio was 1.77 (2023: 2.77)
- Accumulated reserves were 162.65% of income (2023: 245%)
- EBITDA as a % of income, education specific was 5.43% (2023: 12.45%)
- Financial Health Score remains 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 2024-25 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 website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The ESFA Financial Health Calculator produces a financial health grading, and the College continues to be rated Outstanding.

Financial Results

These financial statements cover the financial period 1 August 2023 to 31 July 2024. The 2024 financial statements include a full year of Richmond upon Thames College (Richmond College) operating results, whereas the prior year only included Richmond College operating results from the date of merger on 4 January to 31 July. This contributed to a material year on year increase in both income and expenditure, excluding the gain on acquisition of Richmond College included in 2023. The Governing Body is pleased to report another successful year in which the financial objectives continue to be met.

The College generated an operating surplus for the period of £2,272,000 (2023: £4,390,000). The total comprehensive gain for the period was £1,744,000 (2023: £56,065,000). The balance on the income and expenditure account stands at £138,676,000 (2023: £136,946,000).

The College has accumulated reserves of £138,676,000, non-current assets of £183,617,000 and cash balances of £38,891,000.

Fixed asset additions during the year amounted to £25,573,000 (2023: £8,968,000). This includes land and buildings development of £1,894,000 (2023: £1,118,000), equipment of £4,827,000 (2023: £2,890,000), and spend on assets under construction of £18,852,000 for the new STEM Centre and Sports Hall at Richmond College. 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 Education and Skills Funding Agency (Agency funding), with total Agency funding accounting for 83.3% (2023: 82.2%) 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 £1.6 million net cash outflow in 2023-24 (2023: £7.7 million inflow). This principally reflects net cash inflow of £19.1 million from operations at HRUC offset by £20.7 million of net cash outflow on capital projects.

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 ESFA and other funding bodies according to agreed student numbers and student activity targeted for the period. In 2023/24, the College's 16-18 learner numbers were above allocation by 496 learners (6.6%) and achieved £53,037,960 against its allocation of £50,212,676.

The 19+ adult single allocation was also exceeded by 106% due to increase in English & Maths and ESOL provision offset by less reliance on subcontractors.

Student numbers

In 2023/24 the College delivered activity that has produced £52,869,467 in 16-18 ESFA main allocation funding (2022/23 – £43,320,853). The College achieved 7,960 16-18 learners against a target of 7,464 which will impact the funding allocation for 2024/25.

Student retention

HRUC 16-18 student retention is +1% higher than the National average and is up 3% on 2022/23. Importantly, achievement is up overall.

Qualification Achievement Rates

16-18 achievement was at 89.8% at Harrow, Richmond 79.5%, and Uxbridge 88.6% (HRUC 86.5%). All three colleges are up on 2022/23. Richmond achieved an increase of +4%, but remains below the National average. HRUC will be above National averages, though we await the 2023/24 National averages which will be released in March 2025. Similarly, 19+ headline QAR rate for 2023/24 was 88.1% at Harrow, Richmond 77.9%, and Uxbridge 86.4% (HRUC 86.4%). HRUC overall QAR has remained the same compared with 2022/23.

To ensure consistency across HRUC's full provision, the college will continue to measure its performance using wider comparisons at Qualification Type by Age, Level and Subject Sector Area (SSA) at both the HRUC and local college level. At the SSA level, we see inconsistency in Construction, Business, IT and Social Sciences as areas for improvement.

The WBL 2023/24 overall QAR is now settled for HRUC in line with predictions at 64.3% which is 12% above the previous year and above the 22/23 National Average of 54.6%.

Teacher Qualifications

In 2023/24 80% of the permanent College teaching staff was fully qualified, (2022/23 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 Plan partners and these collaborations are mutually beneficial in meeting the employers' community commitment, supporting their workforce development and enriching the learner experience.

As we continue to engage and partner with large employers, the number of Sector Based Work Academies have significantly increased from previous years, with 59 delivered in 23/24. The success of these partnerships was recognised in the 2022 Ofsted inspection contributing to the outstanding grade awarded for the adult provision. QAR for remote and blended delivery remained high and increased opportunities for study in differing ways. The next set of paragraphs gives an overview of work we do with employers, JCPs and other stakeholders.

Some of the partnerships are significant in their depth of anticipated outcomes; HRUC represents FE on the new Heathrow Economic Taskforce formed in 23/24 providing opportunities for new apprenticeships, work experience for full time students including extended industry placements and employment and skills opportunities for adults and their anchor partner responsibility of the WLIoT.

The expansion of the London Mayor's Skills Academies across the London priority sectors is increasing the employment and work experience opportunities through the Health, Digital, Green/construction and Creative and Culture hubs we are partners in. These Academies are building on the excellent work and momentum gained through the FE/HE groups steered by the West London Alliance. The groups have focused primarily on career progression and progression agreements, employer engagement, flexible and modular delivery and apprenticeships. It is also an intention for the group's findings to feed into government consultations. HRUC is represented at each of the subgroups, co-chairing two in digital and health and care.

Along with the success in retaining the London Mayor's Construction Academy Quality Kite Mark, we were also awarded Quality Kite Marks in the Health, Digital, Green, Creative and Culture sectors. These kite marks are endorsed by some of our employers in the sector in recognition of how our provision and its quality meet the needs of the sector.

Under the umbrella of the Skills Academy, the College is also a member of the West London Health and Care Group (all FE colleges represented) to take forward a more strategic approach to supporting the workforce needs of the NHS in West London.

We are also embedding our relationship with the Northwest London NHS Trust to again address the skills gaps across all roles within the NHS through apprenticeships, upskilling existing employees and through work experience.

HRUC has played an integral role in the Local Skills Improvements Plans, across south and west London, led by WLB/WLA and SLP. HRUC is now leading on the Local Skills Improvement Funds, working in collaboration with WL and SL college partners. The funds will enable FE to deliver on the priorities identified in the LSIP. The five key strands of the project will benefit from substantial capital over the next two years.

Further to this significant partnership work, 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 over 6,000 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.

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 500+ apprentices at any one time. The new 'Technical and Apprenticeship School' was launched in 20/21. With the provision awarded a good grading the consolidation of the provision to improve quality and flexibility continued into 23/24.

In addition to the support we receive from employers for our full time learners, our Employer Advisory Boards drive the relevance of our curriculum of the West London Institute of Technology. Along with our Anchor Employers, Heathrow and West London Business and supported by Brunel University, the expertise of the wider employer board ensures we are providing a highly relevant curriculum and student experience. For example, employers aligned to sector curriculum areas reviewed all qualifications and said they were fit for purpose. Our new relationship with Massachusetts Institute of Technology as the first educator through their Industrial Liaison Programme provides an excellent opportunity for our students and industries.

We continue to work with employer bodies such as Hillingdon, Richmond Upon Thames, London and Thames Valley Chambers of Commerce, 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 West London Business Awards (where our Apprentices are frequently highly commended or winners).

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 centered around a main vocational or academic qualification and maturing & expanding pilots to meet national qualification reform (including twelve T-Levels pathways and accompanying Level 2 Foundation T-Level Programmes). T-level reforms continue to evolve and HRUC will expand to fourteen pathways in 2025/26. HRUC has a significant emphasis on developing employability skills, in particular work ready skills and Maths & English. For 2023/24 they now make up 39% percent of all learner aim starts and the resources 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. Work Experience readiness and staffing to source the volume requirements has increased substantially in 2024/25 and will continue to evolve to meet demand.

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 2024/25 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 and new Institute of Technology wing, 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.

The College's Academic (A levels/GCSE), Computing and Business curriculum areas remain popular with a notable increase in Construction students into 2024/25 also. ESOL (adult growth) continues and part-time English & Maths is strengthening across HRUC.

The College has continued to offer its HE provision which also serves to provide further progression for the College's existing students. There has been a noticeable increase in competition from HE institutions over recent years following the lifting of the HE learner number cap. 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. A new partnership with Roehampton is developing. 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 representation 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 the SSC and Corporation governing body groups. 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. In addition to representation on the Governing Body, the College encourages staff and student involvement through membership of appropriate committees and Stakeholder and Scrutiny Groups. Finally, the College undertakes two HRUC wide student surveys at the beginning and mid-point of the year, and now an added ESFA lead London Learner Survey. All activity listed including significant CPD in 2023/24 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 WLIOT, 19+ provision and apprenticeship growth. In addition, we are refreshing engagement with schools to increase our 16-18 provision.

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 £138.9 million of net assets (2023: £137.2 million) and no pension liability.

RESERVES

The College has a cash reserve policy calculated at £17.5m which 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 818 people FTE (2023: 707) of whom 399 or 49% are academic staff (2023: 367 or 52%).

REPUTATION

The College has an excellent reputation locally and nationally building on our outstanding quality of education grade awarded to us by Ofsted in February 2022.

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 2024, cash and investment balances and cash flow for the next 12 months, the 2024/25 budget approved by the Corporation, level of student recruitment in 2024/25 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

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

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

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

1. Government funding

The College has considerable reliance on continued government funding through the education sector funding bodies and Office for Students (OFS). In 2023/24, 83.3% (2023: 82.2%) 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 ESFA 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 learners
- 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

- Contribution rates for TPS were increased from 23.7% to 28.7% in April 2024, partially offset in 2023/24 by an increase in the teachers' pension grant
- LGPS pension fund is in a net asset position as at 31 July 2024

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 2023 – 31 July 2024

Greenhouse gases emissions and energy use data for the period 1 August 2023 to 31 July 2024	Current reporting year 2023 to 2024
Energy consumption used to calculate emissions (kWh)	10,674,240
Gas	6,121,217 kWh
Electricity	4,553,023 kWh
Transport Fuel	

Scope 1 emissions in metric tonnes CO₂e	Current reporting year 2023 to 2024
Gas consumption	11.19 tCO ₂ e
Owned transport – minibuses	6.51 tCO ₂ e
Total scope 1	17.7 tCO ₂ e

Scope 2 emissions in metric tonnes CO₂e	Current reporting year 2023 to 2024
Purchased Electricity	9.59 tCo ₂ e

Scope 3 emissions in metric tonnes CO₂e	Current reporting year 2023 to 2024
Business travel in employee owned vehicles	5.86 tCo ₂ e

Total gross emissions in metric tonnes CO₂e	Current reporting year 2023 to 2024
Tonnes CO ₂ e per member of staff	0.017 tCo ₂ e

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, which 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 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 as far as possible, identical 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 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. As part of its accommodation strategy the College updated its access audit. Experts in this field conducted a full access audit during 2019/20 and the results of this formed the basis of a programme of improvements aimed at improving access. In addition, all new building work is closely monitored for DDA compliance. Progress of the implementation is monitored at the Equality and Diversity Forum.
- 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 and IT equipment, which the College can make available for use by students and a range of assistive technology is available.
- 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	£41,033
Total pay bill	£46,518,825
Percentage of total bill spent on facility time	0.09%

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

On 9th October 2024 the college acquired a property, Barra Hall, from the London Borough of Hillingdon for a purchase price of £2,900,000. It is planned to use the building to accommodate growth in SEND student provision. Refurbishment costs of approximately £1,100,000 are planned to make the premises fit for purpose for the start of the 2025/26 academic year. There are no events after the reporting period which are likely to have a material impact on the Colleges' future performance or financial position.

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 10th December 2024 and signed on its behalf by:

Nicholas Davies
Chair of the Corporation

Professional advisers

Independent auditors: Cooper Parry Group Limited
Cubo Birmingham
Two Chamberlan Square
Birmingham
B3 3AX

Bankers: Barclays Bank PLC
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Solicitors: Eversheds
Senator House
85 Queen Victoria Street
London
EC4 4JL

Statement of Corporate Governance and Internal Control

The Governing Body

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 2023 to 31st July 2024 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);
- ii. In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance ("the Foundation Code"); and
- iii. Having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of Corporate Governance. This summary describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code ("the Code") issued by the FRC in 2018. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

In the opinion of the Governors, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2024. This opinion is based on an AOC external board review in June/July 2024. This external review was undertaken by Carole Drury from the AOC.

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, an updated version of which was issued by the Association of Colleges in 2023.

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 2023/24 year and up to the date of signature of this report were as follows:

Name	Date Appointed/ Re-appointed	Term Expires	Date Resigned	Membership Status	Committees served
Sofia Barbosa-Bouças	Aug 2023	Aug 2026		External	Curriculum Quality Assurance
Ian Valvona	Jan 2023	Jan 2027	Dec 2023	External	Search, Governance and Remuneration, Commercial Operations
Simon Boulcott	Sep 2024	Aug 2028		External	Resources, Search, Governance and Remuneration
Steven Cochran	Sep 2024	Sep 2025		External	Audit, Search, Governance and Remuneration
Tracey Critchley	Oct 2023	Oct 2024	Oct 2024	Staff (Harrow)	Audit
Sharon Croxon	Feb 2023	Feb 2026	Jul 2024	Staff (Uxbridge)	Curriculum Quality Assurance, Uxbridge SSC*
Hannah Talabany	Jan 2023	Nov 2026		Staff (Richmond)	Curriculum Quality Assurance
Nicholas Davies	Aug 2022	Aug 2025		External	Search, Governance and Remuneration
Nasim Khan	Sep 2024	Aug 2026		External	Audit
Alasdair MacLeod	Mar 2022	Aug 2025		External	Resources
Mario Michaelides	Aug 2023	Aug 2026		External	Curriculum Quality Assurance, Uxbridge SSC*
Amanda Priem	Sep 2024	Aug 2028		External	Curriculum Quality Assurance
Ketan Sheth	Aug 2022	Aug 2025	June 2024	External	Audit
Mike Sutcliffe	Jan 2023	Jan 2025		External	Curriculum Quality Assurance
Vincent Neate	Jan 2023	Dec 2026		External	Audit, Commercial Operations
Susan Kingman (Cole)	Jan 2023	Dec 2025		External	Search, Governance and Remuneration, Curriculum Quality Assurance, Resources
Mel Nebhrajani	Jun 2023	Jun 2027		External	Search, Governance and Remuneration
Jenny McLaughlin	Dec 2023	Dec 2024		External	Curriculum Quality Assurance
Sunitha C	Dec 2023	Dec 2024		External	Commercial Operations
Sujit Reddy	Jul 2024	Aug 2028		External	Resources, Search, Governance and Remuneration
Paul Miller	Jul 2024	Aug 2028		External	Audit
Keith Smith	Nov 22	n/a		Chief Executive and Accounting Officer	Search, Governance and Remuneration, Curriculum Quality Assurance, Commercial Operations, Audit

* Stakeholder and Scrutiny Committee

Clerking arrangements

- Perry Perrott acted as Clerk to the Corporation in his role as Chief of Staff.

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. Both were reappointed to these roles in 2023.

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

The Governing Body 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 on a half-termly basis and also holds two Strategy and Planning Days during each academic year (October and April).

The Governing Body conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Governing Body. These committees are Resources (including HR and Property), Audit, Quality Curriculum Quality Assurance, Commercial Operations, Search Governance and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Governing Body, are available from the Clerk to the Corporation at:

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 Governing Body, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

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

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

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

Appointments to the Governing Body

Any new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a Search and Governance Committee comprising of the Chair of the Corporation, Vice-Chair and Principal, which is responsible for the selection and nomination of any new member for the Governing Body's consideration. The Governing Body 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 a term of office not exceeding 4 years.

Performance of the Governing Body

Effective stewardship is evident within the Governing body and senior leadership and has been maintained during the period and Governors are confident in challenging the SLT for assurance.

Prime priorities have included the levelling up of facilities to ensure a good standard of learning environment at all colleges. In addition, HRUC has successfully progressed its initiatives relating to the T Level pilots, the Mayor's Construction Academy and its launch as an Institute of Technology along with Brunel University and local high profile employer partners Heathrow and West London Business.

Breadth of governance expertise is strong. There is a good balance of skills and experience on the Governing Body. The Governance meeting structure was well managed and very well attended during the last year. Governing Body and sub-committee meetings were undertaken through a mixture of on-site meetings and online/ remote attendance. Online meetings were managed via the Teams platform and governor engagement was strong. The Corporation also ran two Governor Training and Strategy days during the year (October 2023 and April 2024) which were held in person at a conference venue. However, some governors and external speakers attended remotely and this mixed medium was very successful. The ongoing use of the Governorhub cloud platform for sharing Governing Body papers in a timely and consistent manner, proved an asset. Corporation reports are detailed and timely and allow good challenge of College senior leaders. There has also been a focus on keeping the Corporation fully briefed on all aspects of Inspectorate Updates.

Governors know the College and understand its strengths and weaknesses well. Corporate Goal KPIs and supporting Quality Dashboard information provide a good overview and sufficient detail to allow Governors to challenge and assess progress against agreed targets. There is a strong focus on educational performance at the Governing Body meetings and within the Quality Curriculum and Student sub-committee. The additional local governance structure - the SSCs at each of the Colleges – allows close scrutiny and challenge of the detail of each College's performance. The Corporation Members and Governance Professional undertake an annual comprehensive self-assessment of the HRUC governance function against internal College KPIs as well as the Code of Good Governance for English Colleges.

Remuneration Committee

Throughout the year ending 31 July 2024, the College's remuneration committee comprised The Chair of the Corporation, the Vice-Chair, the Chair of Resources Committee and another governor from Resources Committee with HR expertise. 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 2024 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Governing Body (who exclude the Accounting Officer, Chair of the Corporation and Chair of Resources Committee). The committee operates in accordance with written terms of reference approved by the Governing Body. Its purpose is to advise the Governing Body on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets 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 in accordance with an agreed plan of input. Specialist internal audit firms are commissioned as required and report their findings to management and the Audit 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 Committee receives a standing report on the progress with implementation of audit recommendations.

The Audit Committee also advises the Governing Body on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work.

Internal Control

Scope of responsibility

The Governing Body 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 Governing Body 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 he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the College and the funding bodies. He is also responsible for reporting to the Governing Body any material weaknesses or break-downs in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in HRUC for the year ended 31 July 2024 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 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

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

The College has internal audit services, which operate in accordance with requirements of the ESFA's Post-16 Audit Code of Practice. The work of the internal audit services is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Governing Body on the recommendation of the Audit Committee.

As a minimum, Audit Committee annually provides the Governing Body with a report on all Audit 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.

Review of effectiveness

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

- The work of the internal auditors
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- Comments made by the College's financial statements auditors, the regularity auditors, the appointed funding auditors in the management letters 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 Committee which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Leadership 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 Leadership Team and Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the advice of the Audit Committee and the Accounting Officer, the Governing Body 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".

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.

Approved by order of the members of the Governing Body on 10th December 2024 and signed on its behalf by:

Nicholas Davies
Chair of the Corporation

Keith Smith
Accounting Officer

Statement of Regularity, Propriety and Compliance

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

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

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

Keith Smith
Accounting Officer
10th December 2024

Statement of the Chair of the Corporation

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

Nicholas Davies
Chair of the Corporation
10th December 2024

Statement of Responsibilities of the Members' of the Governing Body

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

Within the terms and conditions of the Corporation's grant funding agreement and contracts with the ESFA, 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, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures 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, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the Corporation on 10th December 2024 and signed on behalf of the Corporation.

Nicholas Davies
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 2024 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 2024 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 Post-16 Audit Code of Practice issued by the Education and Skills Funding Agency 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 focussed 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 2023 to 2024, the Post 16 Audit Code of Practice 2023-24, 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
Two Chamberlan Square
Birmingham
B3 3AX

Date: 18 December 2024

Independent Reporting Accountant's Assurance Report on Regularity

To: The Corporation of HRUC and Secretary of State for Education, acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 29 September 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by HRUC ("the College") during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the Corporation of HRUC and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of HRUC and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the Corporation of HRUC and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of HRUC and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

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 2023 to 31 July 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Cooper Parry Group Limited Reporting Accountant

Cubo Birmingham
Two Chamberlan Square
Birmingham
B3 3AX

Date: 18 December 2024

Statements of Comprehensive Income
for the year ended 31 July 2024

	Note	2024 £'000	2023 £'000
Income			
Funding body grants	2	70,735	60,386
Tuition fees and education contracts	3	3,439	3,428
Other grants and contracts	4	7,263	4,466
Other income	5	1,605	1,809
Gain on acquisition	28	-	25,499
Endowment and investment income	6	1,900	1,184
		<hr/>	<hr/>
Total income		84,942	96,772
		<hr/>	<hr/>
Expenditure			
Staff costs	7	56,142	43,665
Exceptional restructuring costs	7	-	(129)
Other operating expenses	9	20,342	16,727
Depreciation	12	6,392	6,300
Interest payable and other finance costs	10	(206)	370
		<hr/>	<hr/>
Total expenditure		82,670	66,933
		<hr/>	<hr/>
Surplus before other gains and losses		2,272	29,840
Gain / (loss) on disposal of assets		-	16,510
Gain / (loss) on investments	13	-	-
		<hr/>	<hr/>
Surplus on continuing operations		2,272	46,350
Taxation	11	-	-
		<hr/>	<hr/>
Surplus on continuing operations after depreciation of assets at valuation and tax		2,272	46,350
		<hr/>	<hr/>
Actuarial gain/(loss) in respect of pension scheme	22	(528)	9,715
		<hr/>	<hr/>
Total Comprehensive Gain/(Loss) for the year		1,744	56,065
		<hr/>	<hr/>

Statement of Changes in Reserves
for the year ended 31 July 2024

	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	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

	Income and expenditure account £'000	Revaluation reserve £'000	Pension reserve £'000	Permanent Endowments £'000	Expendable endowments £'000	Total £'000
Balance as at 01 August 2022	85,266	4,351	(8,736)	188	32	81,102
Surplus from the income and expenditure account	47,329	-	(979)	-	-	46,350
Other comprehensive income	-	-	9,715	0	-	9,715
Transfers between revaluation and income and expenditure reserves	49	(49)	-	-	-	-
Transfers between restricted endowments and income and expenditure reserves	-	-	-	-	-	-
Balance as at 31 July 2023	132,644	4,302	-	188	32	137,166

Balance sheet
for the year ended 31 July 2024

	Note	2024 £'000	2023 £'000
Non current assets			
Tangible assets	12	183,383	164,202
Investments	13	-	-
Endowment assets	13	234	220
		183,617	164,422
Current assets			
Stock		43	46
Debtors	14	6,759	17,317
Cash at bank and in hand	21	38,891	29,459
Investments	15	-	11,000
		45,693	57,822
Creditors: Amounts falling due within one year	16	(25,856)	(20,956)
		19,837	36,866
Total assets less current liabilities		203,454	201,288
Creditors: Amounts falling due after more than one year	17	(64,050)	(63,576)
Provisions for liabilities and charges			
Defined benefit obligations	22	-	-
Other provisions	19	(494)	(546)
Total net assets		138,910	137,166
Restricted reserves			
Expendable endowments	13	32	32
Permanent endowments	13	202	188
Unrestricted reserves			
Income and expenditure account		134,423	132,644
Revaluation reserve		4,253	4,302
Total funds		138,910	137,166

The financial statements on pages 28 to 58 were approved by the Corporation on 10th December 2024 and were signed on its behalf by:

.....
Nicholas Davies
Chair of the Corporation

.....
Keith Smith
Accounting Officer

Statement of Cash Flows
for the year ended 31 July 2024

	2024	2023
	£'000	£'000
Cash flow from operating activities		
Surplus / (Deficit) for the year	2,272	46,350
Adjustment for non cash items		
(Gain) from acquisition	-	(25,499)
Profit on sale of fixed assets	-	(16,510)
Depreciation	6,392	6,300
(Increase)/ decrease in stocks	3	2
(Increase)/decrease in debtors	10,558	(13,549)
Increase / (decrease) in creditors due within one year	4,900	3,403
Increase / (decrease) in creditors due after one year	(220)	(438)
Increase / (decrease) in provisions	(52)	(56)
Pension costs less contributions payable	(528)	979
Transfer to / (from) reserves	-	-
Taxation	-	-
Adjustment for investing or financing activities		
Investment income	(1,886)	(1,184)
Interest payable	11	-
Taxation paid	-	-
Release of deferred capital grants	(1,978)	(1,755)
Endowment depreciation/(appreciation)	(14)	-
Net cash flow from operating activities	<u>19,458</u>	<u>(1,957)</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets		16,988
Investment income	1,886	1,184
Payments made to acquire fixed assets	(25,573)	(8,968)
Receipt of deferred capital grants	<u>3,007</u>	<u>503</u>
	<u>(20,680)</u>	<u>9,707</u>
Cash flows from financing activities		
Interest paid		-
Interest element of finance lease rental payments	(11)	-
Capital element of finance lease rental payments	<u>(335)</u>	<u>-</u>
	<u>(346)</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents in the year	<u>(1,568)</u>	<u>7,750</u>
Cash and cash equivalents at beginning of year	40,459	31,491
Cash transferred from RUTC		<u>1,217</u>
Cash and cash equivalents at end of year	<u>38,891</u>	<u>40,459</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 2024, cash and investment balances and cash flow for the next 12 months, the 2024/25 budget approved by the Corporation, level of student recruitment in 2024/25 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 Education and Skills Funding Agency 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.

Notes to the Accounts *(continued)*

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 Education and Skills Funding Agency. 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 Education and Skills Funding Agency 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 22.

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.

Notes to the Accounts *(continued)*

1 Statement of accounting policies *(continued)*

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.

Notes to the Accounts *(continued)*

1 Statement of accounting policies *(continued)*

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.

Notes to the Accounts *(continued)*

1 Statement of accounting policies *(continued)*

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 27 except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant.

Notes to the Accounts *(continued)*

1 Statement of accounting policies *(continued)*

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 22, 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 2024. 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

	2024	2023
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency - 16-19	54,331	45,757
Education and Skills Funding Agency - AEB	8,692	7,668
Office for Students	312	270
Specific grants		
Teachers Pension Scheme contribution grant	1,857	1,431
DFE Work Placement Capacity and Delivery	-	298
Education and Skills Funding Agency - 16-19 tuition fund	726	625
Work-based learning *	2,188	1,758
Programmes for the Unemployed *	237	456
GLA Skills Recovery *	394	208
Other (LSF admin fee)	20	160
Releases of agency capital grants:		
Buildings (note 19)	1,556	1,327
Equipment (note 19)	422	428
	70,735	60,386

* 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:

	2024	2023
	£'000	£'000
Work-based learning		
Work-based learning income	2,188	1,758
Net income	2,188	1,758
	2024	2023
	£'000	£'000
AEB & Programmes for the Unemployed		
AEB and Programmes for the Unemployed income	497	821
Payments to non College partners	(260)	(379)
Net income	237	441

Notes (continued)

2 Funding body grants

	2024	2023
	£'000	£'000
GLA Skills Recovery		
NSF	394	204
GWFA	-	205
Payments to non College partners		(186)
Net income	394	223
	2024	2023
	£'000	£'000
OfS Grant and Fee Income		
Grant income from the Office for Students	312	265
Fee income for taught awards (exclusive of VAT)	1,468	1,214
	1,780	1,479

Notes (continued)

3 Tuition fees and education contracts

	2024	2023
	£'000	£'000
Tuition Fees	3,359	3,315
Education contracts	80	113
	3,439	3,428

Tuition fees funded by bursaries

There are no bursaries included in the above amounts (2022/23: £nil).

4 Other grants and contracts

	2024	2023
	£'000	£'000
Other grants and contracts	887	319
High needs support	6,376	4,147
	7,263	4,466

5 Other income

	2024	2023
	£'000	£'000
Catering	1,072	1,347
Other income generating activities	218	70
Other income	315	392
	1,605	1,809

6 Endowment and investment income

	2024	2023
	£'000	£'000
Gain/(Loss) from permanent endowment asset investments (note 13)	14	-
Interest Receivable	1,886	1,184
	1,900	1,184

Notes (continued)

7 Staff numbers and costs

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

	2024	2023
Teaching staff FTE	399	367
Non-teaching staff FTE	419	340
	818	707

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

	2024	2023
	£'000	£'000
Wages and salaries	40,173	30,028
Social security costs	3,045	2,946
Pension costs including FRS 102 adjustments	6,300	5,610
Payroll sub total	49,518	38,584
Contracted out staffing costs	6,624	5,081
Exceptional restructuring costs	-	(129)
Total staff costs	56,142	43,536

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)

	2024 Number of senior post- holders	2024 Number of other staff	2023 Number of senior post- holders	2023 Number of other staff
£60,000 to £65,000		4		4
£65,001 to £70,000		5		2
£70,001 to £75,000		3		3
£75,001 to £80,000		4		2
£80,001 to £85,000		2		1
£85,001 to £90,000		3	1	
£90,001 to £95,000		1		1
£95,001 to £100,000			1	1
£105,001 to £110,000	1			
£110,001 to £115,000	2			
£115,001 to £120,000			1	
£130,001 to £135,000	1		1	
£135,001 to £140,000	1			
£155,001 to £160,000			1	
£170,000+	1			
	<u>6</u>	<u>22</u>	<u>5</u>	<u>14</u>

Including part time worked grossed up to full time equivalent.

A general pay award of 6.5% (2022/23: 3.0%) was made with effect from 1 August 2023. 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.

	2024	2023
	Number	Number
The number of senior post-holders, including the Accounting Officer, was	<u>6</u>	<u>5</u>

Key management personnel emoluments are made up as follows:

	2024	2023
	£'000	£'000
Salaries	838	595
Employers' National Insurance	108	77
Benefits in kind	123	6
Pension contributions	6	103
	<u>1,075</u>	<u>781</u>

The above emoluments include amounts payable to the Accounting Officer (who is the highest paid senior post-holder) of:

	2024	2023
	£'000	£'000
Salaries	232	158
Pension contributions	-	-
Benefits in kind	1	-
	<u>233</u>	<u>158</u>

The Accounting Officer was employed on 17/10/2022 - part year. FTE Gross Salary in 2023 was £198,780.

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

	2024	2023
Multiple based on basic salary	4.86	4.85
Multiple based on total remuneration	5.86	5.85

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

	2024	2023
	£'000	£'000
Teaching costs	3,328	3,157
Non teaching costs	8,305	7,279
Premises costs	8,709	6,291
	20,342	16,727

Other operating expenses include:

Auditors remuneration:

Financial statements audit	111	69
Internal audit	21	-
Depreciation	6,392	6,300

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulation 2008 SI 2008/489 as amended with effect from 1 October 2011 under SI 2011/2198 the 2011 Regulations, the disclosure of auditors' remunerations stated exclusive of VAT.

10 Interest payable

	2024	2023
	£'000	£'000
On bank loans and overdrafts:		
Lease Finance cost	11	-
Pension finance costs	(217)	370
	(206)	370

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 2023	8,921	181,312	45,075	235,308
Additions	19,181	1,894	4,498	25,573
Disposals	-	-	-	-
At 31 July 2024	<u>28,102</u>	<u>183,206</u>	<u>49,573</u>	<u>260,881</u>
Accumulated depreciation				
At 1 August 2023	-	32,483	38,623	71,106
Charge for year	-	3,927	2,465	6,392
Eliminated in respect of disposals	-	-	-	-
At 31 July 2024	<u>-</u>	<u>36,410</u>	<u>41,088</u>	<u>77,498</u>
Net Book Value				
At 31 July 2024	<u>28,102</u>	<u>146,796</u>	<u>8,485</u>	<u>183,383</u>
At 31 July 2023	<u>8,921</u>	<u>148,829</u>	<u>6,452</u>	<u>164,202</u>

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

Endowments Assets	£'000	£'000	£'000
	Restricted Expendable	Restricted Permanent	Total
At 1st August 2023:	32	188	220
Income for year (interest received)		14	14
As 31st July 2024	<u>32</u>	<u>202</u>	<u>234</u>
Capital	32	188	220
Accumulated Income	-	14	14
	<u>32</u>	<u>202</u>	<u>234</u>

Notes (continued)

14 Debtors

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	1,664	2,778
Sundry Debtors	3,484	12,662
Prepayments and other debtors	1,611	1,877
	6,759	17,317

15 Current investments

	2024	2023
	College	College
	£'000	£'000
Short term deposits	-	11,000
Total	-	11,000

16 Creditors: Amounts falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	1,766	795
Other taxation and social security	1,727	1,608
Accruals and deferred income	16,650	13,000
Holiday pay accrual	1,300	1,062
Leases Current	266	519
Deferred income - capital grants	2,456	1,905
Deferred income - government revenue grants	257	228
Amounts owed to the ESFA/GLA	1,434	1,839
	25,856	20,956

17 Creditors: Amounts falling due after more than one year

	2024	2023
	£'000	£'000
Deferred income - capital grants	64,020	63,543
Leases Non-Current	30	33
	64,050	63,576

Notes (continued)

18 Deferred capital grants

College	ESFA £'000	Other grants £'000	Total £'000
At 1 August 2023:			
Land and buildings	63,686	1,005	64,691
Equipment	172	585	757
Cash received:		-	
Land and buildings	748		748
Equipment	2,066	193	2,259
Release to income and expenditure acc		-	-
Land and buildings	(1,553)	(4)	(1,556)
Equipment	(415)	(7)	(422)
At 31 July 2024			
Land and buildings	62,881	1,001	63,883
Equipment	1,823	771	2,594
	64,704	1,773	66,477

Notes (continued)

19 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2023:	-	546	546
Expenditure in the period	528	(52)	476
Restricted	<u>(528)</u>	<u>-</u>	<u>(528)</u>
At 31 July 2024	<u>-</u>	<u>494</u>	<u>494</u>

Defined benefit obligations relate to the liabilities under the Colleges membership of the Local Government Pension Scheme. Further details are given in note 22.

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

21 Cash and Cash equivalents

	at 1 August 2023 £'000	Cashflows £'000	At 31 July 2024
Cash and cash equivalents	40,459	(1,568)	38,891
	<u>40,459</u>	<u>(1,568)</u>	<u>38,891</u>

Notes (continued)

22 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 onwards (compared to 23.6% during 2022/23). 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	2024	2023
	£'000	£'000
Teachers Pension Scheme: contributions paid	3,527	2,710
Local Government Pension Scheme:		
Contribution paid	3,084	2,307
FRS 102 (28) charge	<u>(311)</u>	<u>593</u>
Charge to the Statement of Comprehensive Income	2,773	2,900
Enhanced pension charge to Statement of Comprehensive Income		
Total Pension Cost for Year within staff costs	<u>6,300</u>	<u>5,610</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)*

22 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 £3,527,000 (2023: £2,710,000)

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 2024 was £3,901,000 of which employer's contributions totalled £3,084,000 (inclusive of FRS102 charge) and employees' contributions totalled £817,000.

For the period 1 August 2023 to 31 July 2024 the employer's contribution rate was 23.4%. 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)

22 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 2024 by a qualified independent actuary.

	31 July 2024	31 July 2023	31 July 2022	31 July 2021	31 July 2020
RPI Inflation	n/a	n/a	n/a	n/a	n/a
Inflation assumption (CPI)	2.75%	3.00%	2.75%	2.85%	2.20%
Rate of increase in salaries	3.25%	3.80%	3.05%	3.15%	2.50%
Rate of increase in pensions	2.75%	3.00%	2.75%	2.85%	2.20%
Discount rate for liabilities	5.00%	5.05%	3.50%	1.60%	1.40%

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 2024 is based on the Fund's Vita Curves. Average future life expectancies at retirement age 65 are summarised below:

	At 31 July 2024	At 31 July 2023
<i>Current pensioners</i>		
Males	21.4 years	21.4 years
Females	24.8 years	24.8 years
<i>Future pensioners</i>		
Males	22.3 years	22.4 years
Females	25.7 years	25.7 years

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

	23/24	22/23	21/22
Long term rate of return expected at 31 July 2024	9.0%	2.7%	2.7%
Value at 31 July 2024	126,256	111,693	70,903
	£'000	£'000	£'000
Equities	66,916	55,846	32,615
Bonds	34,089	32,391	21,271
Property	17,676	17,871	13,472
Cash	7,575	5,585	3,545
Total market share of assets	9.0%	2.7%	2.7%
	126,256	111,693	70,903
	£'000	£'000	£'000
College's estimated asset share	126,256	111,693	70,903
Present value of scheme liabilities	(112,881)	(107,457)	(79,615)
Present value of unfunded liabilities	(76)	(97)	(24)
Surplus / (Deficit) in the scheme	13,299	4,139	(8,736)

Notes (continued)

22 Pensions and similar obligations (continued)

Analysis of the amount recognised in Statement of Comprehensive Income

	2024	2023
	£'000	£'000
Amounts included in staff costs		
Employer (current) service cost (net of employee contributions)	2,714	2,900
Past service cost	59	-
Total operating charge	2,773	2,900

Analysis of pension finance (cost)/income

	2024	2023
	£'000	£'000
Expected return on pension scheme assets	5,674	3,269
Interest on pension scheme liabilities	(5,457)	(3,655)
Pension finance income/(cost)	217	(386)

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

	2024	2023
	£'000	£'000
Fair value of plan assets	112,957	107,554
Present value of plan liabilities	(112,881)	(107,457)
Present value of unfunded liabilities	(76)	(97)
Net pension (liability)	-	-
Asset ceiling restriction applied	(9,161)	(4,138)

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

	2024	2023
	£'000	£'000
Amounts included in staff costs		
Current service cost	2,714	2,900
Past service cost	59	-
Total	2,773	2,900
Amount included in investment income		
Net interest income/(costs)	217	(386)
	217	(386)

Amounts recognised in Other Comprehensive Income

Actuarial movements in period	8,633	17,372
Effect of business combinations	-	(3,519)
Asset ceiling restriction applied	(9,161)	(4,138)
Amount recognised in Other comprehensive Income	(528)	9,715

Notes (continued)

22 Pensions and similar obligations (continued)

Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	107,554	79,639
Service cost	2,714	2,900
Interest cost	5,457	3,655
Employee contributions	817	622
Other experience	3,564	8,632
Changes in demographic assumptions	(226)	(149)
Changes in financial assumptions	(4,426)	(28,346)
Benefits paid	(2,547)	(2,071)
Unfunded benefits paid	(9)	(10)
Effect of business combinations and disposals	-	42,682
Past service cost	59	-
Curtailments and settlements	-	-
	112,957	107,554

Reconciliation of Assets

Assets at start of period	107,554	70,903
Interest on plan assets	5,674	3,269
Return on plan assets	7,545	(2,674)
Employer contributions	3,075	2,297
Contributions by scheme participants	817	622
Benefits paid	(2,547)	(2,071)
Unfunded benefits paid	(9)	(10)
Effect of business combinations and disposals	-	39,163
Contributions in respect of unfunded benefits paid	9	10
Other experience	-	183
Restriction on gain	(9,161)	(4,138)
Assets at end of period	112,957	107,554

Movement in deficit during year

	£'000	£'000
Net defined liability in scheme at 1 August	-	(8,736)
Movement in year:		
Current service cost	(2,714)	(2,900)
Employer Contributions	3,084	2,307
Past service costs	(59)	-
Losses on curtailments	-	-
Net interest on the defined (liability) / asset	217	(386)
Effect of business combinations and disposals	-	(3,519)
Actuarial gain (loss)	8,633	17,372
Restriction on gain	(9,161)	(4,138)
Net defined benefit (liability) / asset at 31 July	-	-

Notes (continued)

23 Capital commitments

	2024	2023
	£'000	£'000
Authorised and contracted	1,718	12,965
Authorised not yet contracted	-	8,413
	1,718	21,378

The capital commitments contracted for as at 31 July 2024 relate to the Phase 2 capital project at Richmond College comprising the completion of a new STEM building and Sports Hall and related infrastructure works.

24 Financial commitments

At 31 July 2024, the College had annual commitments under non-cancellable operating leases as follows:

	2024	2023
	£'000	£'000
Future minimum lease payments due		
Other		
Not later than one year	135	287
Later than one year and not later than five years	209	86
Later than five years	-	-
	344	373

Notes (continued)

25 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. No transactions were identified which should be disclosed under Financial Reporting Standard 102.

26 Post balance sheet events

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

27 Amounts Disbursed as Agent

Learner support funds

	2024 £000s	2023 £000s
Discretionary Learner Support Fund Allocations (including Bursary for 24+ Loans)	1,450	1,280
	1,450	1,280
Learner Support Funds Disbursed	(1,299)	(986)
Administration costs	(16)	(52)
Balance at 31 July	135	242

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.

Notes (continued)

28 Business Combinations

On 4 January 2023, the Corporation acquired Richmond upon Thames College for cash consideration of £0. This was a Type B merger, whereby all of the assets and liabilities of Richmond College were transferred to HCUC with the Richmond upon Thames College Corporation subsequently being dissolved.

The investment has been accounted for under the acquisition method.

Recognised amounts of identifiable assets acquired and liabilities assumed were as follows:

	Book value	Fair Value
	£'000	£'000
Assets		
Tangible	54,142	54,142
Intangible	-	-
	<u>54,142</u>	<u>54,142</u>
Stock	-	-
Debtors	782	782
Cash at bank and in hand	1,217	1,217
Total assets	<u>56,141</u>	<u>56,141</u>
Liabilities		
Due within one year	(4,614)	(4,614)
Due in greater than one year	(25,746)	(25,746)
Provisions	(283)	(283)
Total identifiable net assets	<u>25,499</u>	<u>25,499</u>
Total purchase consideration	0	0
Surplus on acquisition	<u>25,499</u>	<u>25,499</u>