United Colleges Group

City of Westminster College

College of North West London

Paddington Green Campus
City of Westminster College
Paddington Green Campus
25 Paddington Green
London W2 1NB
020 7723 8826

Maida Vale Campus
City of Westminster College
Maida Vale Campus
Elgin Avenue
London W9 2NR
020 7723 8826

Willesden Campus
College of North West London
Willesden Centre
Entrance on Denzil Road
(off Dudden Hill Lane)
London NW10 2XD
020 8208 5000

Wembley Campus
College of North West London
Wembley Park Campus
147A Wembley Park Drive
Wembley
London HA9 8HQ
020 8208 5000

Euston Campus
Euston Skills Centre
Starcross Street
London NW1 2HR
020 8208 5000

The Cockpit Theatre
Gateforth Street
London NW8 8EH
020 7258 2925

United Colleges Group

FINANCIAL STATEMENTS

for the year ended 31 July 2024

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS

Key management personnel

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

Mr. Stephen Davis	Chief Executive Officer and Group Principal, and Accounting Officer
Mrs. Amanda Thorneycroft	Chief Financial Officer

Director of Governance

Miss. Zoë Lawrence

Board of Governors

A full list of Governors is given on pages 18 to 19 of these financial statements.

Principal and Registered Office

25 Paddington Green
London
W2 1NB

Professional advisers

Financial statements and regularity auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditors
Scrutton Bland LLP
Fitzroy House, Crown Street
Ipswich, Suffolk
IP1 3LG

Bankers

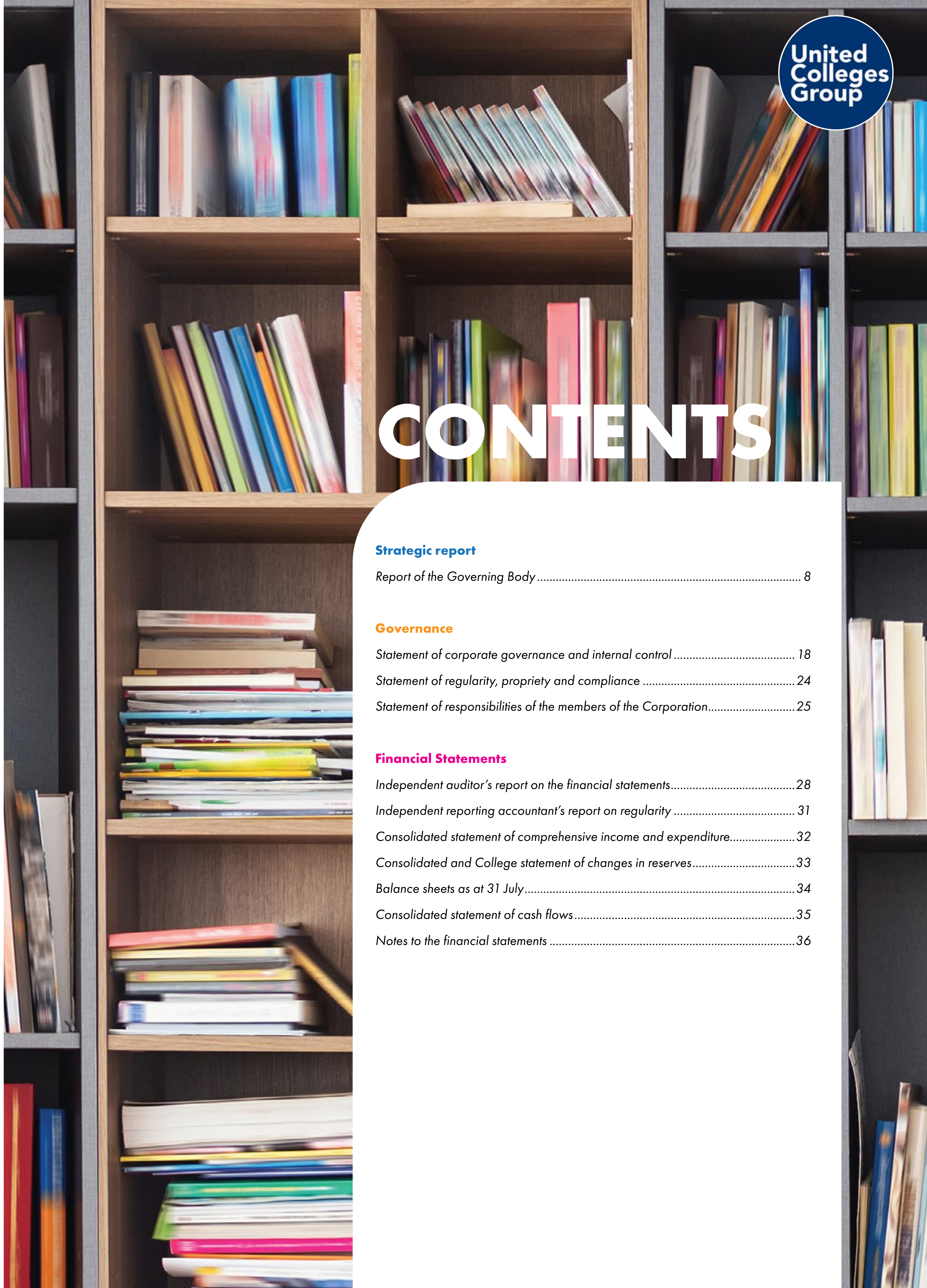
NatWest Bank PLC
Kilburn High Road (B) Branch
127 Kilburn High Road
London
NW6 6JL

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Addleshaw Goddard LLP
60 Chiswell Street
London
EC1Y 4AG



CONTENTS

01 STRATEGIC REPORT

REPORT OF THE GOVERNING BODY

NATURE, OBJECTIVES AND STRATEGIES

The members of the Corporation present their report together with the audited financial statements for the year ended 31 July 2024.

Legal status

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

United Colleges Group was formed from the merger of City of Westminster College and the College of North West London on 1 August 2017. It is a single legal entity and throughout this report will be referred to as the 'College' unless otherwise stated. The brands of City of Westminster College and College of North West London continue to be used, as these are recognised in their res pective localities.

The College has a wholly owned subsidiary called CWC Enterprises Limited. The company is limited by shares and is registered in England and Wales (Company Registration Number 0292440). Its principal activity is letting facilities and ancillary services. Throughout this report the College and subsidiary combined will be referred to as the 'Group' unless otherwise stated.

Purpose

The College's purpose, as approved by the Corporation Members, is:

"Ensure inclusive and equitable quality education and promote lifelong learning opportunities"

Values

The core values that are important to the College's students, staff and partners are:

Inclusion and belonging
The College embraces diversity and takes pro-active steps to be inclusive.

Mutual trust and respect
The Colleges communicates openly and transparently and assumes positive intent.

Putting students first
The College puts students first in everything it does.

Always improving
The College embraces a mindset of perpetual growth, seeking constant improvements in processes, education, and personal development of peers and students.

Compassion and empathy
The College cares about its students, staff and partners, their wellbeing and development, and actively seeks to understand and validate the feelings of others.

Public Benefit

United Colleges Group is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on pages 19 to 20.

In accordance with the English Colleges' Code of Governance for Colleges, and the Charity Commission's guidance, being accountable to learners, to the wider community it serves, and to wider stakeholders, the United Colleges Group's Public Values Statement sets out how it fulfils this public benefit responsibility.

REPORT OF THE GOVERNING BODY (continued)

Strategic aims

The purpose of the College is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. This purpose is supported by the College's values and principles. These values and associated principles are there to support a culture that facilitates the delivery of the College's strategic aims. There are three strategic aims, and these are outlined below:

- The College will provide an outstanding student experience aligned with high quality outcomes delivered in best-in-class facilities for the digital age;
- The College will be known for its people first culture that is inclusive, fair and responsive;
- The College will ensure that its future is secure through efficient and effective use of resources.

The College's provision shows clear intent that is aligned to the world of work as well as offering progression to further levels of education and training. The College's focus continues to impact the communities it serves in London and is supported by employer links which are extensive and include working alongside public and private sector stakeholders. Employer links include the Chartered Institute of Building Service Engineers, Construction Youth Trust, NHS North Central London Integrated Care Board, Microsoft, Goldsmiths, Fujitsu and Lenovo to name a select few. The College continues to look forward to the future demands of students with a focus on enabling specialisms, skills development, digital transformation, sustainability and working with key strategic partners to deliver public value.

In doing so the College is always improving and its work is underpinned by four key areas of strategic focus, which include:

- Enhancing student experience and outcomes;
- Our people, culture and growth;
- Fit for future assets;
- Robust financial health and governance.

Under 'robust financial health and governance' and 'fit for future assets', the College measures itself against several financial objectives. Progress against these objectives has been monitored by Governors throughout the year and progress can be summarised as follows:

a) Generate surpluses.

The College generated an operating deficit of £687,000 and a positive operational cash flow of £2,994,000.

The positive cash flow was used to service debt and make significant capital investments in both College IT infrastructure and the College's Wembley Park Campus redevelopment project.

b) Diversify and grow income.

The Covid-19 pandemic resulted in the College temporarily reducing or withdrawing from some of its commercial activities. Areas impacted included the Cockpit Theatre, College lettings, and the delivery of some full cost recovery courses. Recovery in these areas continued in 2023-24 with income from lettings and the Cockpit Theatre increasing 14% to £869,000 in 2023-24 (2022-23 £762,000).

c) To establish new strategic partnerships.

UCG continues to build on the 'Flagship College' status awarded by Microsoft. In addition, close relationships are maintained with the Local Authorities where the College operates, with Westminster, Brent and Camden taking an active part in supporting UCG projects.

d) To further develop systems and infrastructure to ensure that maximum resource is focused on offering the best possible service to all our students and staff.

The College continues to invest heavily in its IT infrastructure in line with its approved IT Strategy. In July 2023 the College successfully migrated from two student record systems to one in preparation for the 2023-24 enrolment and in August 2024 the College went live with a new Finance system. During 2023-24 the College invested £4.598m in equipment, including £1.4m on grant funded T-Level equipment.

REPORT OF THE GOVERNING BODY (continued)

e) Prioritise a programme of Capital Development.

The College is progressing an ambitious property strategy which will bring all College campuses up to a high quality, modern standard. The College is in the process of selling its existing Wembley and Willesden Green campuses and replacing these with a new campus in Wembley Park. In 2021-22 the College purchased the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU for £20.35m which will be demolished and replaced with a new £151m campus. In addition to buying the site, a further £12.502m has been spent, bringing total spend on the Wembley Park redevelopment project to £32.852m as at 31 July 2024.

Performance indicators

The College is committed to benchmarking against other comparable colleges in the sector as well as using nationally available data from the Department for Education.

In July 2024, the College submitted its annual College Financial Forecast Return (CFFR) to the ESFA. This provided a view of the outturn of 2023-24 and the budget for 2024-25. The College's Financial Health grading based on this return was "Requires Improvement" for 2023-24 and 2024-25. This health grading is impacted by the College securing an £8.35m loan with the Department for Education (DfE) on 28 July 2023. The DfE loan replaced an existing and unutilised rolling credit facility (RCF) the College had secured with Barclays Bank Plc to cover the College's investment in its Wembley Park redevelopment project. The DfE loan replacement of the RCF was an Office for National Statistics (ONS) reclassification requirement, which brought FE Colleges in England and Wales back into the public sector on 29 November 2022. Removing this loan reverts the College's health grading to "Good" in 2023-24.

In addition, the Corporation has additional targets for the College which are monitored during the year.

FINANCIAL POSITION

Financial results

The Group (the College and its subsidiary CWC Enterprises Limited) generated a deficit before other gains and losses of £861,000 for the year (2022-23 surplus £943,000), with a total comprehensive deficit of £752,000 (2022-23 surplus £25,981,000). Before exceptional items (i.e. pension, right to light income, and disposal of asset adjustments) the Group made an operating loss of £687,000 (2022-23 loss £952,000).

At 31 July 2024, the Group had positive accumulated income and expenditure reserves of £44.773m compared with £45.078m at 31 July 2023 (excluding the LGPS defined benefit pension scheme obligations).

Tangible fixed asset additions during the year amounted to £8.076m, which consisted of £3.478m relating to the redevelopment of the College's Wembley Park Campus redevelopment project, and £4.598m in equipment purchases across the College.

The College has significant reliance on the education sector funding bodies for its principal funding sources, largely from recurrent grants. In 2023-24, the funding bodies provided 93% of the College's total income (2022-23 88%).

The College has a wholly owned subsidiary company, CWC Enterprises Limited. The principal activities of CWC Enterprises Limited are the management of the College's lettings revenues and the running of commercial activities of the College's Cockpit Theatre. In the current year CWC Enterprises Limited generated a surplus of £324,000 (2022-23 a loss of £88,000).

Staff restructuring

The College continues to respond to changing Government funding by achieving best use of its teaching and support service delivery. This year rationalisation and efficiencies resulted in the loss of seven staff and redundancy costs amounting to £312,000 (2022-23 loss of eight staff at a cost of £47,000). Included in redundancy costs is £115,000 in Local Government Pension Scheme strain costs (2022-23 nil). Pension strain costs are payable by an employer and occur when a member is obliged to draw their pension benefits earlier than expected as a result of being made redundant.

Treasury policies and objectives

Treasury management is the management of the College's cashflows, 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.

Short term borrowing for working capital purposes is authorised by the CEO and Group Principal. All other borrowing requires the approval of the Corporation and complies with the requirements of the Financial Memorandum.

REPORT OF THE GOVERNING BODY (continued)

Cash flows

The operating cash inflow for the Group at £2.994m for the year (2022-23 £5.666m) was strong. Major cash outflows consisted of the servicing of the College's long-term loans and capital expenditure on the College's Wembley Park Campus redevelopment.

Liquidity

At the end of the year the College had the following loans in place secured against its Paddington Green Campus:

- £16m long term loan repayable over 25 years. The balance on this loan at 31 July 2024 was £9.641m.
- £7.5m long term loan repayable over 24 years. The balance on this loan at 31 July 2024 was £3.786m.
- £1.5m long term loan repayable over 24 years. The balance on this loan at 31 July 2024 was £721,000.

On the 22 December 2021, the College negotiated a rolling credit facility of £8.35m with Barclays Bank PLC. This facility was secured to bolster working capital as the College continues to invest its surplus cash on the Wembley Park redevelopment project. On 28 July 2023 the College replaced this facility with a loan of equivalent value from the Department for Education (DfE). This new loan is secured against the College's Willesden Green Campus located at Denzil Road (off Dudden Hill Lane), London, NW10 2XD. The balance on this loan at 31 July 2024 was £7.515m.

All borrowings have been authorised by the Corporation and were agreed by the LSC, DfE or ESFA where appropriate, and are in accordance with the requirements of the ESFA Financial Memorandum.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow.

Public ownership

On 29 November 2022, following a decision by the Office for National Statistics (ONS), all further education providers as defined under section 91(3) of the Further and Higher Education Act 1992, were reclassified into the central government sector.

Following this reclassification, the College and its subsidiary are now part of central government. The College continues to be a self-governing charity regulated by the Secretary of State for Education but is now subject to the framework for financial management as set out in HM Treasury's Managing Public Money.

Reclassification to the government sector means there are new requirements for the College relating to financial management oversight. However, the DfE has recognised the importance that colleges maintain autonomy over financial planning and this is expected to continue. The College is free to carry forward unspent surpluses from one year to the next thereby giving the College maximum flexibility for its longerterm plans.

Reserves

Whilst in the long term the College has the aim of strengthening its income and expenditure reserves, the short-term strategy of managed growth involves investment ahead of income due to the lagged learner effect of ESFA funding. As at 31 July 2024 the College has an accumulated surplus of £44.773m in its income and expenditure account.

Going concern

The College's financial projections for 2024-25 and beyond, indicate that it will be able to generate operational surpluses and operate within its existing available bank facilities. For 2024-25 the College has prepared a surplus budget. This follows the planned deficit in 2023-24 which allowed the College to invest in curriculum quality to achieve enhanced outcomes and deliver its Ofsted improvement action plan.

As at 31 July 2024 the College had cash and cash equivalents of £11.992m. £7.515m of this balance relates to a DfE loan entered into on 28 July 2023.

Given the above and the ongoing support of the DfE, the Corporation believes the College will be able to continue in operation, and meet its liabilities as they fall due, for a period well beyond 12 months from the date of approval of these accounts.

REPORT OF THE GOVERNING BODY (continued)

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE:

This year has seen performance improve across the three key metrics of achievement, retention and attendance. The College recognises that it is still improving in all three metrics, in particular attendance. However, 68% of younger learners are studying a level 2 qualification or below and come to the College with particular needs. Many of these younger learners have joined without a Maths or English qualification at grade 4. It has been empirically shown that these learners were disproportionally impacted by the pandemic and the College continues to recognise the challenges of this crucial demographic as they fully exit the years of lost learning. This in turn has allowed the College to continue to improve the life chances for all its learners and in particular those learners specifically mentioned above. As part of this process, a trauma informed approach to teaching and learning has been adopted whereby the College offers a wrap-around approach to the college experience of all its learners. This approach is adopted pre-entry to post exit, and the College is now seeing it writ large in its pedagogical approach. It has informed the College's approach to intent, particularly in functional skills for younger learners.

Since its previous OFSTED inspection, the College has narrowed the attainment gap of its learners compared to learners who are studying the same provision elsewhere in the country. And while this has been achieved at pace, the College recognises there is still further work to do. With this in mind, the investment in teaching, learning and assessment continues with the creation of a new development coach role supported in the career clusters by progress coaches. This emphasis on development and coaching once again recognises, and aligns to, the College's trauma informed approach to teaching and learning. The College continues to make a strong contribution to meeting the skills needs of Londoners and London. The College has developed a comprehensive curriculum offer that is well focused and includes significant provision at various levels in the sectors of Engineering Construction and the Built Environment (ECBE), Green Skills, Creative and Digital Industries (CID) and Health Wellbeing and Care (HWC). In addition, there is a wide offer with various starting points for English, Maths and English Speakers of Other Language courses providing essential skills needed to gain or improve employment. Furthermore, College priorities align with local, regional and national skills needs, and this is evidenced by the Accountability Agreement that responds to the London Local Skills Improvement Plan. The College collaborates using the Local Skills Improvement Fund to enhance its provision and partnership working with other local educational institutions and third-party stakeholders.

Learner Numbers

In 2023-24 the College had 3,589 16-18 learners against an allocation of 3,524. The College also recruited 14,435 funded adult learners and 144 students on HE programmes. In addition to these, 249 apprentices were enrolled. The total number of students qualifying for Element 2 High Needs funding was 343.

Learner Achievement

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
All qualifications	86.9%	84.5%	84.1%	80.8%	79.3%	79.6%	83.2%
16 - 18	78.3%	76.0%	80.1%	75.0%	69.6%	70.7%	75.6%
19+	90.6%	88.6%	86.2%	83.1%	82.4%	83.0%	86.7%

Curriculum Developments

The College continues to work with employer representative bodies to deliver a curriculum that aligns to the local skills improvement plan for both West and Central London. In support of this, the College has agreed and published an accountability agreement, in line with the Local Skills Improvement Plan (LSIP) for London. This document articulates how the curriculum intent for the College meets the overarching skills needs for the local and regional economy. This has seen the development and implementation of specialist green skills hubs at all of the College's main campuses. These curriculum developments have been supported with continued improvements in teaching, learning and assessment with the complete roll out of a developmental observation process. Alongside the developmental observation model, a set of accountability metrics which are supported by revised datasets and dashboards, have been launched which align with the College's 'UCG Method' and provide teachers and managers with the means to monitor and review their individual and team progress throughout the academic year.

The College's achievement has continued to improve, with many areas performing well above National Rates, including in 16-18 provision Vocational Science, 16-18 and 19+ learners in Computing, Music and Performing Arts, Public Services and Sport. ESOL both age groups, Security and Retail Provision and the Employability Skills Provision for adults continue to serve a large volume of students who have very good outcomes. This has been supported by good progress in achievement in the areas of Engineering, Construction and the Built Environment (16-18 +13.8, Adults +6.1%), Creative Industries and Digital (16-18 +10.2%, Adults +27.0%) and Business (16-18 +10.8%, Adults +12.0%). The College's approach has also seen continued improvement in student satisfaction against national benchmarks.

The College continues to use its funding allocations to maximise learning opportunities for the communities it serves and creating escalators of progression for its students, the results of which are seen in continued improvements in our destination statistics year-on-year.

REPORT OF THE GOVERNING BODY (continued)

Future Developments

The College continues to ensure that its estate reflects the needs of modern-day learning. New facilities for hair and beauty are being introduced at the College's Paddington campus. In addition, the College is looking to further repurpose its Cockpit Theatre into a creative and commercial campus for arts students and is actively working with the Church Street redevelopment project to see how the Cockpit Theatre can support the urban regeneration as an anchor institution for the area.

Wembley Park Development

Coupled to the Estates Strategy mentioned previously, work is still ongoing to design and deliver a new stateof- the-art campus in Wembley Park. The College secured purified planning consent in December 2023. This takes the College a step closer to crystallising the new campus for learners in Brent and neighbouring Boroughs.

As at 31 July 2024, the College has invested £32,852,000 in the project. This includes £20,350,000 on the purchase of a new campus site in Wembley Park, formerly known as the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set out by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2023 to 31 July 2024, the College met this target. The College incurred no interest charges in respect of late payments for this period.

RESOURCES:

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

Tangible resources include the main College campuses at Paddington Green and Willesden Green, centres at Wembley Park and Maida Vale, along with the Cockpit Theatre in Gateforth Street and a Construction Skills Centre at Euston which opened in January 2024. On 22 December 2021 the College purchased a site in Wembley Park for redevelopment at a cost of £20.35m.

Financial As at 31 July 2024 the Group had £65.727m of net assets (2022-23 £66.479m net assets) and long term creditors of £85.016m (2022-23 £87.084m).

People

In 2023-24 the College employed 837 people (2022-23 791), of whom 467 were teaching staff (2022-23 464). Expressed as full-time equivalents, the College employed 690 people (2022-23 696), of whom 388 were teaching staff (2022-23 420).

Reputation

The College has a good reputation locally and nationally. Maintaining quality brands is essential for the College's success in attracting students and developing external relationships. The College's investment in its estate enhances that reputation and further property improvements are planned in the coming years.

PRINCIPAL RISKS AND UNCERTAINTIES:

1. Government Funding

The College has considerable reliance on continued government funding through the ESFA. In 2023-24, 93% (2022-23 89%) of the College's revenue was ultimately public funded.

The College is aware of the issues which impact on future funding and the pressures affecting the funding available both for 16-18 year olds and adults.

REPORT OF THE GOVERNING BODY (continued)

The risk is mitigated in a number of ways:

- An enhanced reputation and profile because of excellent achievement rates;
- Continued investment in College properties to provide a first-class environment for students;
- Funding is derived through several direct and indirect contractual arrangements;
- By ensuring the College is rigorous in delivering high quality education and training;
- Considerable focus on and investment in maintaining and managing relationships with the various funding bodies;
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding;
- Developing an appropriate curriculum for full cost recovery work;
- Continuing to grow the other commercial income of the College;
- Successful bidding for procured contracts.

2. Failure to achieve planned learner numbers

With 93% of College income arising from grant funding, it is essential that the College recruits and delivers against its funding allocation. The College has a long history of meeting and exceeding its ESFA allocations.

The risk of under recruitment and delivery 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 and building of flexibility into curriculum planning;
- Formulation of an Enrolment Action plan and marketing strategy;
- Early identification of potential over/under recruitment with intervention strategies in place to respond.

3. Maintain adequate funding of pension liabilities

The financial statements at 31 July 2022 reported the College's share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102. However, changes in the assumptions surrounding the actuarial valuation of the scheme has led to a change in the carrying amount of the pension, turning it from a pension liability to a pension asset at 31 July 2024 of £1.827m (31 July 2023 pension asset £2.171m). In accordance with FRS102, this pension asset is not reflected in the Financial Statements, and a nil value liability is shown in the Balance Sheet at 31 July 2024 (31 July 2023 nil).

4. Increases in employer contributions to the Teachers' Pension Scheme

On 1 September 2019 employer contributions to the Teachers' Pension Scheme (TPS) increased from 16.48% to 23.68%. A further increase to 28.68% came into effect from 01 April 2024. The DfE has reimbursed FE Colleges for these additional costs, and in 2023-24 the College recognised £1.035m in Teachers' Pension Scheme contribution grant income (2022-23 £813,000). Whilst the DfE has confirmed it will continue to reimburse FE Colleges for this increase to March 2025, the period beyond March 2025 is still unknown. The College will consider and make allowance for this increase where necessary in its budgeting and planning cycles.

5. Major capital projects

As at 31 July 2024, the College has invested £32,852,000 in its Wembley Park redevelopment project. This includes £20,350,000 on the purchase of a new campus site in Wembley Park, formerly known as the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU. In December 2023, the College secured purified planning consent for a new campus on this site. The redevelopment project will be funded by sale proceeds from existing campus sites in Willesden and Wembley, grant funding from the DfE, GLA and London Borough of Brent, and College cash reserves. The College continues to work closely with these partners and other stakeholders in the project. Project costings, affordability and cashflows are prepared and reviewed on a regular basis and shared with partners.

REPORT OF THE GOVERNING BODY (continued)

STAKEHOLDER RELATIONSHIPS:

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

- Students;
- Education Sector funding bodies;
- Staff;
- Local and national employers (with specific links);
- Local Authorities;
- Greater London Authority;
- Government Offices / Regional Development Agencies;
- The local community including residents associations;
- Other FE institutions and Universities;
- Trade Unions;
- Professional bodies;
- Private training providers;
- Regeneration Agencies;
- Pension fund authorities;
- Banking partners;
- Employer Representative Bodies.

The College recognises the importance of these relationships and engages in regular communication with them by meetings, written communications, mailings and through the College's Internet site, staff-net and student-net sites as appropriate.

Equal opportunities and employment of disabled persons

The College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and values positively differences in race, gender, gender reassignment status, marital or civil partnership status, pregnancy, sexual orientation, disability, religion or belief and age. The College also strives vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis.

In pursuit of the College's aspirations to continually improve its approach to Equalities, Diversity and Inclusion it developed a holistic action plan and achieved Investors in Diversity re-accreditation from the National Centre for Diversity in 2022-23.

The College considers all applications from disabled persons, guaranteeing an interview where selection criteria are met. 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.

Disability statement

The College seeks to achieve the objectives set down in the Equalities Act 2010.

a) The College employs an Assistant Principal and Curriculum Managers with responsibility for learners with learning difficulties and disabilities and employs a range of specialist staff to support learners with moderate and severe learning difficulties and/or disabilities (LLDD), who provide information, advice and arrange support where necessary for students with disabilities.

b) There is a list of specialist equipment which the College makes available for use by students. A range of assistive technology is available in the learning centres and from the College's Additional Learning Support Teams.

c) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.

d) The College has made a significant investment in the appointment of learning support assistants to support students with learning difficulties and/or disabilities. 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) The College has a good reputation for providing discrete specialist programmes, details of which can be obtained from the relevant Assistant Principals and Curriculum Managers or through the course advice teams.

f) Counselling and welfare services, along with the College's Complaints and Disciplinary procedures, are described in the student induction pack, which is issued to every student at induction.

REPORT OF THE GOVERNING BODY (continued)

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.

Number of employees who were relevant union officials during 2023-24	Full-time equivalent employee number
23	19.45

Percentage of time spent on facility time:

Percentage of time	Number of Employees
1-50%	23

Percentage of pay bill spent on facility time:

Total cost of facility time	£55,767
Total pay bill of union representatives	£895,658
Percentage of total pay bill spent on facility time	6.2%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	5.9%

Disclosure of information to the auditor

The members of the Corporation who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditor is unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditor is aware of that information.

Approved by order of the members of the Corporation on 9 December 2024 and signed on their behalf by:

Franklin Assante
Interim Chair of Governors

02 GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

Governance Code

The college endeavours to conduct its business:

1. in full accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);

2. in full accordance with the Association of Colleges Good Governance Code.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ending 31 July 2024. This opinion is based on an external review of compliance with the Code and Governance Evaluation reported to the Corporation on 18 October 2023. This external review was undertaken by Melissa Drayson of Rockborn. 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 Association of Colleges Good Governance Code which it formally adopted in September 2023. The Corporation also undertook an internal review of governance in July and August 2024 and the outcome of this will further inform the governance improvement plan.

THE CORPORATION

Members of the corporation The members who served on the Corporation during the year and up to the date of signature of this report are listed in the table below:

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance
Tony Johnston	04/07/2018	4 years	02/10/2024	Independent member	GSR, F&R, P&I, TLS	12/12
Franklin Asante	17/12/2018	4 years		Independent member	F&R, GSR	10/11
Laura Griffin	03/07/2019	4 years		Independent member	F&R, GSR	9/11
Colin Smith	26/01/2019	4 years		Independent member	TLS, GSR	10/11
Derrick Betts	16/10/2019	4 years		Independent member	Audit, GSR	10/11
Liz Jones	19/10/2022	4 years	16/05/2024	Independent member	TLS	4/6
Grethe Woodward	19/10/2022	4 years	31/12/2023	Independent member	TLS	3/3
Ross Mackenzie	01/08/2020	4 years		Independent member	F&R, GSR	7/9
Alastair Procter	19/10/2022	4 years		Independent member	F&R	7/8
Grainne Brankin	16/12/2020	4 years		Independent member	P&I, Audit	9/12
Alex Fyfe	04/07/2018	4 years		Independent member	F&R, P&I,	11/12
Elom Tay	10/03/2021	4 years		Independent member	P&I	7/8
Stephen Davis	15/11/2021	N/A		CEO / Group Principal	F&R, TLS, P&I	15/16
Tim Ryan	18/10/2023	4 years		Independent member	TLS	7/7
Tanya Rose	18/10/2023	4 years		Independent member	TLS	5/6
Jessie Turnbull	06/07/2022	4 years		Co-opted member	P&I	4/4
Amish Nathwani	17/12/2018	4 years		Co-opted member	Audit, P&I	6/8
Andrew Dowsett	29/03/2023	4 years		Co-opted member	Audit	4/4
Stephen Grainge	29/03/2023	4 years		Co-opted member	Audit	4/4
Rob Bradley	27/03/2024	4 years		Co-opted member	P&I	1/1
Max Maalimey	10/03/2021	4 years		Staff governor	TLS	8/8

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance
Desmond Bishop	03/07/2019	4 years	31/12/2023	Staff governor	TLS	2/3
Nadia Babar	10/03/2021	4 years		Staff governor	F&R	5/6
Ana Chimbembe	18/10/2023	1 year	31/07/2024	Student governor	TLS	1/7
Gashtiar Muhamadi	18/10/2023	1 year	31/07/2024	Student governor	TLS	3/7

F&R – *Finance and Resources Committee*
TLS – *Teaching, Learning and Skills Committee*
P&I – *Property and Infrastructure Committee*
GSR – *Governance, Search and Remuneration Committee*

The governance framework

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

The corporation is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The corporation meets at least once a term.

The corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the corporation. These committees are Teaching, Learning and Skills, Finance & Resources, Audit, Property & Infrastructure, Governance, Search and Remuneration. Full minutes of all meetings once approved, except those deemed to be confidential by the corporation, are available on the college's website (UCG.ac.uk) or from the Director of Governance at the college's registered address.

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

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

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

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

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

Appointments to the corporation

Any new member appointments to the corporation are a matter for the consideration of the corporation as a whole. The corporation has a Governance, Search and Remuneration Committee, consisting of five members of the corporation, which is responsible for the selection and nomination of any new member for the corporation's consideration. The corporation is responsible for ensuring that appropriate training is provided as required.

Members of the corporation are appointed for an initial term of office of four years, and are eligible to stand for a second term of four years. For continuity following the merger a small number of members were reappointed so will serve overall longer than the two terms of four years.

During 2023-24 Tony Johnston, the Chair to the Corporation, took a leave of absence due to illness and the Vice Chair, Franklin Asante, assumed the role of Chair in Tony Johnston's absence. Tony Johnston resigned as chair on 2 October 2024, following which the interim arrangements continued until the conclusion of the election process at the December Corporation meeting.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Corporation performance The Corporation undertook an external governance review during 2022/23. The outcome of the review concluded full compliance with the Charity Governance Code which had been adopted at that time. The review identified areas of good practice including an effective governance culture, strong oversight of performance, student centric decision-making, and rigorous governance processes. The Corporation graded itself as "Good" on the Ofsted scale. An internal review of governance has been undertaken in 2023/24 and this has informed the ongoing governance improvement plan. The Corporation is committed to the development of its governors and the Director of Governance. A range of training and development activities were undertaken by the Corporation members during 2023/24. A summary is set out in the table below:

	Training & Development opportunity	Number of governors
1	Safeguarding	9
2	Link governors with a career cluster / service area	10
3	Governance Summit/ FE Conference	1
4	Prevent	13
5	FE Funding and Finance & Accountability Reform	6
6	Campus visits (in addition to link governor visits)	5
7	Charity and Company Law	2
8	Strategy and Governor Development (inc. Trauma informed learning and EDI awareness)	19
9	Governor induction (inc. student governors)	4
10	Governance Codes and Accountability	2
11	Student Awards	3
12	Curriculum and Quality / Teaching, learning and assessment	3
13	DfE Policy and Inspection	1
14	Leading a Committee	1
15	Apprenticeships	1
16	Unloc Festival of Student Governors	2

The Director of Governance holds a post graduate Diploma in Corporate Governance.

Remuneration Committee

Throughout the year ending 31 July 2024 the college's Governance, Search and Remuneration Committee met on three occasions. The Committee is comprised of five members of the Corporation. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer and other Senior Post Holders. The College has adopted the AoC's Senior Post Holder Remuneration Code.

Details of remuneration for the year ended 31 July 2024 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises five members of the corporation. The Committee operates in accordance with written terms of reference approved by the corporation.

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

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

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

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

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

The audit committee met four times in the year to 31 July 2024. The members of the committee and their attendance records are shown below:

Committee member	Meetings attended
Derrick Betts (Chair)	4/4
Amish Nathwani	3/4
Grainne Brankin	3/4
Andrew Dowsett	4/4
Stephen Grainge	4/4

INTERNAL CONTROL

Scope of responsibility

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

The corporation has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between United Colleges Group and the funding bodies. He is also responsible for reporting to the corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is 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 United Colleges Group for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the corporation
- regular reviews by the corporation of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

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

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Risks faced by the corporation

During 2023/24 the College reviewed its Risk Management Policy which sets out how risks are identified and evaluated. Risks are collated into a series of operational risk registers and risk categories for review by the relevant committee against an agreed risk tolerance level. Strategic level risks are reviewed by the Corporation. The risk registers include mitigating actions and residual risk evaluation.

Control weaknesses identified

The internal auditors provided significant assurance in all areas audited except for follow up on previous recommendations which achieved reasonable progress. Plans are in place for all outstanding recommendations to be completed and the audit committee will continue monitoring progress.

Responsibilities under funding agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and a new college financial handbook in was published in 2024 to come into force on 1 August 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.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place. The specific areas of work undertaken by the audit committee in 2023/24 and up to the date of the approval of the financial statements include:

- Deep dives for the Wembley Project and Student outcomes and experience risk registers
- Compliance against the Office for Students registration conditions
- Monitoring the completion of internal audit recommendations.

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 reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2024 meeting, the corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2024.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

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

Approved by order of the members of the Corporation on 9 December 2024 and signed on their behalf by:

Franklin Assante
Interim Chair of Governors

Stephen Davis
CEO and Group Principal, 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 noncompliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

Stephen Davis
CEO and Group Principal, Accounting Officer
9 December 2024

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.

Franklin Assante
Interim Chair of Governors
9 December 2024

STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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;
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the college will continue in operation.

The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including 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 college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the Corporation on 9 December 2024 and signed on their behalf by:

Franklin Assante
Interim Chair of Governors

03 FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF UNITED COLLEGES GROUP

Opinion

We have audited the financial statements of United Colleges Group (the 'parent college') and its subsidiary (the 'group') for the year ended 31 July 2024 which comprise the group and parent college statement of comprehensive income, the group and parent college statement of changes in reserves and balance sheets, the group statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent college's affairs as at 31 July 2024 and of the group's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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;
- in all material respects, funds provided by the Office for Students (OfS), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS' Accounts Direction have been met.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of 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 Group or 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 members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent college and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF UNITED COLLEGES GROUP (continued)

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the ESFA requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent college; or
- the parent college financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Corporation members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors are 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 governors 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 governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group or the parent college or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing available correspondence with HMRC and the College's legal advisors.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF UNITED COLLEGES GROUP (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the College's members, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the College's members 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 College's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
130 Wood Street
London
EC2V 6DL
Date: 13 December 2024

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts and those of the GLA, 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 United Colleges Group 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 (ILR) data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the Corporation of United Colleges Group, the ESFA and the GLA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of United Colleges Group, the ESFA and the GLA 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 United Colleges Group and the ESFA and the GLA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of United Colleges Group and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of self-assessment questionnaire including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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.

Buzzacott LLP

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Date: 13 December 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 July 2024 Group	College	Year ended 31 July 2023 Group	College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	2	51,772	51,772	52,395	52,395
Tuition fees and education contracts	3	1,234	1,234	1,107	1,107
Other income	4	2,187	1,380	5,360	4,716
Investment income	5	535	535	109	109
Total income		**55,728**	**54,921**	**58,971**	**58,327**
EXPENDITURE					
Staff costs	6	32,811	32,811	33,215	33,215
Fundamental restructuring costs	6	312	312	47	47
Other operating expenses	7	16,485	16,005	17,205	16,477
Depreciation	10	5,906	5,903	5,521	5,517
Interest and other finance costs	8	1,075	1,075	2,040	2,040
Total expenditure		**56,589**	**56,106**	**58,028**	**57,296**
(Deficit) / surplus before other gains and losses		**(861)**	**(1,185)**	**943**	**1,031**
Profit on the disposal of assets	10	-	-	-	-
(Deficit) / surplus before tax	9	**(861)**	**(1,185)**	**943**	**1,031**
Taxation		-	-	-	-
(Deficit) / surplus for the year		**(861)**	**(1,185)**	**943**	**1,031**
Actuarial gain in respect of pension schemes	24	109	109	25,038	25,038
Total comprehensive (expenditure) / income for the year		**(752)**	**(1,076)**	**25,981**	**26,069**
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive (expenditure) / income		(752)	(1,076)	25,981	26,069
		(752)	**(1,076)**	**25,981**	**26,069**

CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance as at 1 August 2022	18,651	21,847	**40,498**
Surplus from the income and expenditure account	943	-	**943**
Other comprehensive income	25,038	-	**25,038**
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	26,428	(447)	**25,981**
Balance at 31 July 2023	45,078	21,401	**66,479**
Deficit from the income and expenditure account	(861)	-	**(861)**
Other comprehensive income	109	-	**109**
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	(305)	(447)	**(752)**
Balance at 31 July 2024	**44,773**	**20,954**	**65,727**
College			
Balance as at 1 August 2022	19,002	21,847	**40,849**
Surplus from the income and expenditure account	1,031	-	**1,031**
Other comprehensive income	25,038	-	**25,038**
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	26,516	(447)	**26,069**
Balance at 31 July 2023	45,517	21,401	**66,918**
Deficit from the income and expenditure account	(1,185)	-	**(1,185)**
Other comprehensive income	109	-	**109**
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	(629)	(447)	**(1,076)**
Balance at 31 July 2024	**44,888**	**20,954**	**65,842**

BALANCE SHEET AS AT 31 JULY

	Note	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Non current assets					
Tangible fixed assets	10	153,293	153,287	151,123	151,112
		153,293	**153,287**	**151,123**	**151,112**
Current assets					
Trade and other receivables	12	2,256	2,137	4,145	4,390
Cash and cash equivalents	20	11,992	11,964	15,843	15,821
		14,248	**14,101**	**19,988**	**20,211**
Less: Creditors - amounts falling due within one year	14	(14,497)	(14,229)	(15,184)	(14,957)
Net current (liabilities) / assets		**(249)**	**(128)**	**4,804**	**5,254**
Total assets less current liabilities		**153,044**	**153,159**	**155,927**	**156,366**
Creditors - amounts falling due after more than one year	15	(85,016)	(85,016)	(87,084)	(87,084)
Provisions					
Defined benefit obligations	21	-	-	-	-
Other provisions-Enhanced Pension liabilities	21	(2,301)	(2,301)	(2,364)	(2,364)
Total net assets		**65,727**	**65,842**	**66,479**	**66,918**
Unrestricted reserves					
Income and expenditure account		44,773	44,888	45,078	45,517
Revaluation reserve	18	20,954	20,954	21,401	21,401
		65,727	65,842	66,479	66,918
Total reserves		**65,727**	**65,842**	**66,479**	**66,918**

The financial statements on pages 32 to 55 were approved for issue by the Corporation on 9 December 2024 and were signed on its behalf on that date by:

Franklin Asante
Interim Chair

Stephen Davis
CEO and Group Principal, Accounting Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
(Deficit) / surplus for the year		**(861)**	**943**
Adjustment for non-cash items			
Depreciation		5,906	5,521
Decrease / (increase) in stocks		-	213
Decrease / (increase) in debtors		1,889	(2,068)
(Decrease) / increase in creditors due within one year		(746)	719
Decrease in creditors due after one year		(3,786)	(2,426)
Decrease in provisions		(63)	(465)
Pension costs less contributions payable		109	2,177
Adjustment for investing of financing activities			
Investment income		(535)	(109)
Interest payable		1,081	1,161
Net cash flow from operating activities		**2,994**	**5,666**
Cash flows from investing activities			
Investment income		535	109
ESFA capital funding receipts		3,714	4,602
Payments made to acquire fixed assets		(8,076)	(6,547)
		(3,827)	**(1,836)**
Cash flows from financing activities			
Interest paid		(1,081)	(1,161)
New unsecured loans and overdrafts		-	8,350
Repayments of amounts borrowed		(1,937)	(1,040)
		(3,018)	**6,149**
(Decrease) / increase in cash and cash equivalents in the year		**(3,851)**	**9,979**
Cash and cash equivalents at 1 August	20	15,843	5,864
Cash and cash equivalents at 31 July	20	11,992	15,843

NOTES TO THE ACCOUNTS

1 Accounting policies

Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom on 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 modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, CWC Enterprises Limited, which is controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of the subsidiary are included in the consolidated income and expenditure account. Intra-group transactions are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2024.

Going concern

The College's financial projections for 2025-26 and beyond, indicate that it will be able to generate operational surpluses and operate within its existing available bank facilities. For 2024-25 the College has prepared a surplus budget. This follows a planned deficit budget in 2023-24 which allowed the College to invest in curriculum quality to achieve enhanced outcomes and deliver its Ofsted improvement action plan. In addition, the College continues to monitor its Wembley Park redevelopment project closely to ensure affordability of the project and guarantee sufficient cashflows are available to deliver the project and meet the College's liabilities in both the medium and long term.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence through 2024-25 and into 2025-26. For this reason the College continues to adopt the going concern basis in the preparation of its financial statements.

As at 31 July 2024 the College had cash and cash equivalents of £11.992m. £7.515m of this balance relates to a Department for Education (DfE) loan entered into on 28 July 2023. This loan, originally for £8.35m, replaced an existing and unutilised rolling credit facility of £8.35m the College had negotiated with Barclays Bank PLC which was due to expire on 1 August 2023.

Given the above and ongoing support of the DfE, the Corporation believes the College will be able to continue in operation, and meet its liabilities as they fall due, for a period well beyond 12 months from the date of approval of these accounts.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants (ESFA and GLA) 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 of the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the statement of comprehensive income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from the Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited direct to the statement of comprehensive income.

1 Accounting policies (continued)

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

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

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

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 and includes all fees payable by students or their sponsors.

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.

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

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.

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 scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

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

Short term Employment benefits

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

Enhanced pensions

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

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

1 Accounting policies (continued)

Land and buildings

Freehold buildings are depreciated over their expected useful economic life, on a straight-line basis, of between 10 and 60 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 60 years.

Freehold land is not depreciated as it is considered to have infinite useful life.

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

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

On adoption of FRS 102, City of Westminster College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1994, as deemed cost with the exception of the freehold land only of its Queen's Park and Cockpit Theatre sites. These were revalued by Gerald Eve and added £9.65m to the value of College land as at 1 August 2014. The College of North West London also undertook a revaluation exercise in July 2015 which added £2.14m to the value of College land and buildings at 31 July 2015, backdated to 1 August 2014.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis detailed below. In relation to the College's £15m redevelopment of its Maida Vale Campus which reopened in Aug-2017, capitalised costs are being depreciated over the remaining life of the lease, which is due to expire in Jul-37.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

• Building improvements	10 years
• Technical equipment	10 years
• Motor vehicles	3 to 5 years
• Computer equipment	3 to 5 years
• Furniture, fixtures and fittings	7 to 10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

Disposals and transfers

In 2023-24 the College undertook a review of its fixed assets identifying assets no longer held by the College. A total of £19.459m of fully depreciated assets were removed from the register. Corrections to the classification of remaining assets was also conducted, resulting in transfers between categories.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred. Any borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

1 Accounting policies (continued)

Leased assets

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

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

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

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

Investments

Investments in subsidiaries

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

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 three months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short-term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Stock

At the beginning of the 2020-21 academic year, the College invested £1.1m in laptops. These were purchased for use by 16-18 year-old learners in order to attend virtual lessons on-line during lockdown. The use of these laptops was also extended to Adult learners, with the option to purchase these outright or use a portion of their bursary allocation in lieu of payment.

Where appropriate, stocks are stated at the lower of their cost and net realisable value. However, in 2022-23 provisions were made by way of impairment charges of £213,000 to other operating expenses in the Statement of Comprehensive Income in relation to diminishing warranties on the laptops. This was the last of several impairment charges which valued the stock at 31 July 2023 at nil.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to 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 sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1 Accounting policies (continued)

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.

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

Provisions and contingent liabilities

Provisions are recognised when

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Agency arrangements

The College acts as an agent in the collection and payment of adult loan bursaries. Related payments received from the ESFA and subsequent disbursements to students are excluded from the income and expenditure of the College and are shown separately in note 26, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets**
  Tangible fixed assets 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**
  In 2021-22 the present value of the Local Government Pension Scheme defined benefit liability was £22.861m. The present value is dependent 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 24, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability/asset at 31 July 2023. For 2022-23 these assumptions led to a change in the carrying amount of the pension turning it from a liability to a pension asset of £2.171m. In 2023-24 this pension asset reduced by £344,000 to £1.827m. However, in accordance with FRS102, the pension asset is not reflected in the Financial Statements, and a nil value liability is shown in the Balance Sheet at 31 July 2023 and 31 July 2024.

2 Funding body grants

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Recurrent grants				
Education and Skills Funding Agency - adult	13,846	13,846	12,708	12,708
Education and Skills Funding Agency - 16-18	25,278	25,278	25,880	25,880
Education and Skills Funding Agency - apprenticeships	1,757	1,757	1,793	1,793
Greater London Authority - procured	522	522	2,362	2,362
Office for Students	64	64	130	130
Specific grants				
Releases of government capital grants	3,011	3,011	2,440	2,440
Local Authority income	5,104	5,104	4,877	4,877
Teachers' Pension Scheme contribution grant	1,035	1,035	813	813
Bursary income	1,155	1,155	1,392	1,392
	51,772	**51,772**	**52,395**	**52,395**

3 Tuition fees and education contracts

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Adult education fees	148	148	548	548
Fees for FE loan supported courses	600	600	377	377
Fees for HE loan supported courses	337	337	182	182
Total tuition fees	1,085	1,085	1,107	1,107
Educational contracts	149	149	-	-
	1,234	**1,234**	**1,107**	**1,107**

4 Other income

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Lettings income	459	(14)	439	114
Cockpit Theatre income	410	77	323	-
Other grant income	494	494	41	41
Miscellaneous income	824	823	807	811
Right to light	-	-	3,750	3,750
	2,187	**1,380**	**5,360**	**4,716**

On 14 April 2023 the College entered into release and compensation deeds relating to rights of light and air at its Wembley Park redevelopment campus at 8 Fulton Road, Wembley and land on the eastern side of Olympic Way, Wembley. Compensation of £3.75m was received on 17 April 2023 and is shown in Right to light income above.

5 Investment income

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Interest receivable	535	535	109	109
	535	**535**	**109**	**109**

6 Staff costs - Group and College

The average number of persons (including key management personnel) employed by the College during the year, on an average headcount basis, was:

	2024 Number	2023 Number
Teaching staff	467	464
Non-teaching staff	370	327
	837	**791**

The above staff number, described as full time equivalent, is 690 (2022-23: 696).

Staff costs for the above persons	2024 £'000	2023 £'000
Wages and salaries	22,307	20,645
Social security costs	2,236	2,077
Other pensions costs	4,419	5,168
Payroll subtotal	**28,962**	**27,890**
Agency staff costs	3,668	5,325
Holiday Pay accruals -movement in year	181	-
	32,811	**33,215**
Fundamental restructuring costs: - Contractual	312	47
Total staff costs	**33,123**	**33,262**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team, which comprised the Chief Executive Officer and Group Principal and the Chief Financial Officer.

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

	2024 Number	2023 Number
The number of key management personnel, including the Accounting Officer was:	2	2

The number of key management personnel and other staff who received remuneration, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

			Key management personnel		Other staff	
			2024 Number	2023 Number	2024 Number	2023 Number
£60,001	to	£65,000	-	-	6	10
£65,001	to	£70,000	-	-	12	3
£70,001	to	£75,000	-	-	1	4
£75,001	to	£80,000	-	-	3	-
£90,001	to	£95,000	-	-	1	2
£100,001	to	£105,000	-	-	-	1
£105,001	to	£110,000	-	-	1	-
£110,001	to	£115,000	-	-	-	1
£115,001	to	£120,000	-	-	1	1
£145,001	to	£150,000	-	1	-	-
£155,001	to	£160,000	1	-	-	-
£175,001	to	£180,000	1	1	-	-
			2	**2**	**25**	**22**

6 Staff costs - Group and College (continued)

Key management personnel compensation is made up as follows:

	2024 £'000	2023 £'000
Salaries	340	324
Employers National Insurance	44	43
Benefits in kind	2	1
	386	**368**
Pension contributions	66	72
Payroll subtotal	**452**	**440**
Consultancy costs	-	-
Total key management personnel compensation	**452**	**440**

There were no amounts due to senior post-holders that were waived in the year, nor any salary sacrifice arrangements in place. The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2024 £'000	2023 £'000
Salaries	184	175
Benefits in kind	2	1
	186	**176**
Pension contributions	42	42
Total emoluments	**228**	**218**

In 2023-24, Mr. Stephen Davis acted as CEO and Group Principal and Accounting Officer throughout and a summary of emoluments can be found above.

It is the responsibility of the Governance, Search and Remuneration Committee (GSR) to consider all aspects of employment for Key management personnel and makes recommendations to the Governing Body. All Key management personnel appointments are approved by the Governing Body on recommendation of the GSR committee.

The approach taken by the Governing Body in setting the salary levels of Key management personnel is to strike a balance between recruiting, retaining and rewarding the best staff possible to deliver the best outcome for students, society and the economy whilst demonstrating value for money and effective use of resources. Factors taken into account when considering Key management personnel remuneration include competition, market rates and demand, benchmarking across the FE sector, relevant skills and experience, individual and institutional performance.

The Governing Body adopted the AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles.

The Accounting Officer reports to the Chair of the Governing Body, which undertakes an annual review of his performance against the College's overall objectives using both qualitative and quantitative measures of performance.

In 2023-24 the GSR Committee and Governing Body reviewed the performance of Key management personnel and awarded a 6% pay increase as a cost of living payment which was in line with all other staff.

The Accounting Officer's basic salary and total remuneration as a multiple of the median of all staff is 6.2 times the median, which was £29,707 (2022-23 6.1 times the median, which was £28,796).

The pension contributions in respect of the Accounting Officer and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme and the London Pension Fund Authority and are paid at the same rate as for other employees.

6 Staff costs - Group and College (continued)

In August 2022 the College resought and received approval from the Charity Commission to reimburse the in-post Chair of Governors for Trustee duties over and above those considered to be within the normal voluntary role of the Chair. The amount paid in 2023-24 was £10,000 excluding on-costs (2022-23 £9,783 excluding on-costs).

Other than as stated above, the members of the Corporation, other than the CEO and Staff Governors, did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Compensation for loss of office paid to former key management personnel

	2024	2023
	£	£
Compensation paid to former post-holders	-	-

No severance payments were made to key management personnel in 2023-24 (2022-23 none).

Severance payments to all staff

The College paid seven severances in year (2022-23 eight), displayed in the following bands:

			2024	2023
			Number	Number
£0	to	£25,000	3	8
£25,001	to	£50,000	3	-
£50,001	to	£100,000	-	-
£100,001	to	£150,000	-	-
£150,001	and above		1	-
			7	**8**

No special severance payments were made in 2023-24 (2022-23 none).

7 Other operating expenses

	2024 Group	2024 College	2023 Group	2023 College
	£'000	£'000	£'000	£'000
Teaching costs	2,974	2,974	3,022	3,022
Non teaching costs	7,455	7,011	7,758	7,041
Premises costs	4,880	4,844	4,891	4,880
Subcontractors costs	1,176	1,176	1,534	1,534
	16,485	**16,005**	**17,205**	**16,477**

Other operating costs include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
Financial statements and regularity audit		
- in relation to the current period	**73**	**53**
- in relation to the prior period	**20**	**10**
Internal audit	**39**	**37**
Hire of other assets - operating leases	**3**	**3**

7a Access and participation spending

As an Office for Students registered college, the College has incurred the following access and participation costs in relation to its higher education students. These costs are included in Other operating expenses shown above.

	2024	2023
	£'000	£'000
Access investment	64	64
Financial support to students	46	43
Disability support	123	42
Research and evaluation (relating to access and participation)	102	76
	335	**225**

8 Interest and other finance costs - Group and College

	2024	2023
	£'000	£'000
On bank loans, overdrafts and other loans:		
On bank loans	1,081	1,161
Net interest on defined pension liability (note 24)	(124)	786
Other - interest on enhanced pension	118	93
	1,075	**2,040**

9 Deficit / (surplus) on continuing operations for the year - Group and College

	2024	2023
	£'000	£'000
College's (deficit) / surplus for the year	(1,184)	1,031
Profit / (loss) generated by subsidiary undertaking	323	(88)
	(861)	**943**

10 Tangible fixed assets
Group

	Land and buildings				
	Freehold	Assets under construction	Leasehold	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	146,543	29,235	14,371	25,545	215,694
Additions	-	3,478	-	4,598	8,076
Disposals	(1,528)	-	(839)	(17,092)	(19,459)
Transfer	(378)	139	(311)	550	-
At 31 July 2024	**144,637**	**32,852**	**13,221**	**13,601**	**204,311**
Depreciation					
At 1 August 2023	38,307	-	5,600	20,664	64,571
Charge for the year	3,132	-	715	2,059	5,906
Elimination in respect of disposals	(1,528)	-	(839)	(17,092)	(19,459)
Transfer	(278)	-	(231)	509	-
At 31 July 2024	**39,633**	**-**	**5,245**	**6,140**	**51,018**
Net book value at 31 July 2024	**105,004**	**32,852**	**7,976**	**7,461**	**153,293**
Net book value at 31 July 2023	108,236	29,235	8,771	4,881	151,123

College

	Land and buildings				
	Freehold	Assets under construction	Leasehold	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	146,543	29,235	14,371	25,497	215,646
Additions	-	3,478	-	4,598	8,076
Disposals	(1,528)	-	(839)	(17,073)	(19,440)
Transfer	(378)	139	(312)	551	-
At 31 July 2024	**144,637**	**32,852**	**13,220**	**13,573**	**204,282**
Depreciation					
At 1 August 2023	38,307	-	5,600	20,627	64,534
Charge for the year	3,132	-	714	2,055	5,901
Elimination in respect of disposals	(1,528)	-	(839)	(17,073)	(19,440)
Transfer	(278)	-	(231)	509	-
At 31 July 2024	**39,633**	**-**	**5,244**	**6,118**	**50,995**
Net book value at 31 July 2024	**105,004**	**32,852**	**7,976**	**7,455**	**153,287**
Net book value at 31 July 2023	108,236	29,235	8,771	4,870	151,112

Assets under construction relate to property costs surrounding the College's Wembley Park Campus redevelopment and includes the purchase of the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU on 21 December 2022 for £20.35m. It is this site that is being redeveloped and will become the College's new Wembley Park Campus.

10 Tangible fixed assets (continued)

City of Westminster College's land and buildings were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors, Edward Rushton Son & Kenyon. In 2015-16 the College revalued its Queen's Park and Cockpit Theatre sites. This was conducted by Gerald Eve and added £9.650m to the value of College land.

Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of professional advice.

If inherited land and buildings had not been valued they would have been included at nil value in the financial statements.

11 Non-current investments

	2024	2023
	£	£
Investment in subsidiary company	2	2
	2	2

The College owns 100% of the issued ordinary £1 shares of CWC Enterprises Limited, a company incorporated in England and Wales.

The principal business activity of CWC Enterprises Limited is the management of letting services for the College, the Cockpit Theatre and ancillary services.

12 Debtors

	2024 Group	2024 College	2023 Group	2023 College
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	1,374	1,081	2,876	2,633
Amounts owed by subsidiary undertaking	-	174	-	488
Other debtors	22	22	184	184
Prepayments and accrued income	860	860	1,085	1,085
	2,256	**2,137**	**4,145**	**4,390**

13 Stock

	2024 Group	2024 College	2023 Group	2023 College
	£'000	£'000	£'000	£'000
Stock	-	-	-	-
	-	**-**	**-**	**-**

14 Creditors: amounts falling due within one year

	Note	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Bank loans and overdrafts	16	1,996	1,996	1,937	1,937
Trade creditors		720	719	1,134	1,134
Other taxation and social security		1,049	1,049	982	982
Accruals		2,909	2,812	3,328	3,207
Deferred income - tuition fees and other grants		1,592	1,445	2,354	2,296
Deferred income - government capital grants	17	3,166	3,167	2,375	2,375
Bursary creditors		2,310	2,310	2,440	2,440
Other creditors		305	281	365	317
Holiday pay accrual		450	450	269	269
		14,497	**14,229**	**15,184**	**14,957**

15 Creditors: amounts falling due after one year

	Note	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Bank loans	16	19,667	19,667	21,663	21,663
Deferred income - government capital grants	17	65,349	65,349	65,421	65,421
		85,016	**85,016**	**87,084**	**87,084**

16 Maturity of debt

Bank, other loans and overdrafts
Bank loans and overdrafts are repayable as follows:

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
In one year or less	1,996	1,996	1,937	1,937
Between one and two years	2,066	2,066	1,996	1,996
Between two and five years	6,636	6,636	6,411	6,411
In five years or more	10,965	10,965	13,257	13,257
	21,663	**21,663**	**23,601**	**23,601**

At 31 July 2024, the College had three main loan facilities with Barclays Bank PLC. A £16m loan repayable over 25 years (at 6.998% interest), a £7.5m loan repayable over 24 years (at 8% interest) and a £1.5m loan repayable over 24 years (at 7.760%). At 31 July 2024 the balances outstanding on these loan facilities were £9.641m, £3.786m and £721k respectvely.

On 22 December 2021, the College entered into an £8.35m revolving credit facility with Barclays Bank PLC. This facility was negotiated to bridge working capital requirements whilst the College incurs property costs surrounding the redevelopment of its Wembley Park campus. This facility was replaced with an £8.35m Department for Education (DfE) loan drawn down on 28 July 2023 and repayable over ten years at the variable PWLB standard rate. At 31 July 2024 the balance outstanding on this loan facility was £7.515m.

The three Barclays loans are secured against the College's Paddington Green Campus, located at 25 Paddington Green, London, W2 1NB. The DfE loan is secured against the College's Willesden Green Campus, located at Denzil Road (off Dudden Hill Lane), London, NW10 2XD.

17 Deferred capital grants

	Group and College		
	ESFA/LEP grants £'000	Other government £'000	Total £'000
At 1 August 2023	67,781	15	67,796
Cash received	3,714	15	3,729
Released to statement of comprehensive income	(2,995)	(16)	(3,011)
At 31 July 2024	**68,500**	**14**	**68,514**

18 Revaluation reserve

	Group and College	
	2024 £'000	**2023 £'000**
At 1 August 2023	21,401	21,848
Transfer from revaluation reserve to general reserve	(447)	(447)
At 31 July 2024	**20,954**	**21,401**

19 Current investments

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Short term deposits	-	-	-	-
	-	-	-	-

At 31 July 2024 the College had no short term deposits. However, the College's bank balance at this date was £11.983m, enhanced in part by £7.515m in outstanding proceeds from a Department for Education loan facility entered into on 28 July 2023. The College placed surplus funds on deposit throughout 2023-24 and will continue to do so in 2024-25 until such time funds are needed for the Wembley Park Campus redevelopment project.

20 Cash and cash equivalents

	At 1 August 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Group cash and cash equivalents	15,843	(3,851)	11,992
	15,843	**(3,851)**	**11,992**

21 Provisions

	Group and College		
	Defined benefit obligations	Enhanced pension	Total
	£'000	£'000	£'000
At 1 August 2023	-	2,364	2,364
Expenditure in the period	(1,436)	(246)	(1,682)
Other reductions in the period	1,780	183	1,963
Pension liability cap	(344)	-	(344)
At 31 July 2024	**-**	**2,301**	**2,301**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 24.

The enhanced pension provision relates to the cost of staff who have already left the College's employment.

The principal assumptions for this calculation are:

	2024	**2023**
Interest rate	4.8%	5.0%
Inflation rate (CPI)	2.8%	2.8%

22 Capital and other commitments

	Group and College	
	2024	**2023**
	£'000	£'000
Commitments contracted for at 31 July	-	-

At 31 July 2024 the College has no contracted for commitments. However, in 2024-25 the College has budgeted £31.074m in spend against its Wembley Park Campus redevelopment project.

23 Lease obligations

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

	Group and College	
	2024	**2023**
	£'000	£'000
No later than one year	3	3
Later than one year and not later than five years	7	7
	10	**10**

24 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LPGS), which is managed by the London Pension Fund Authority (LPFA). Both are multi-employer defined-benefit plans.

Total pension cost for the year		**2024**		**2023**
		£'000		£'000
Teachers' Pension Scheme: contributions paid		2,659		2,391
Local Government Pension Scheme:				
Contributions paid - normal	1,462		1,708	
FRS 102 (28) charge	298		1,069	
Charge to the Statement of Comprehensive Income		1,760		2,777
Total pension cost for the year within staff costs (note 6)		**4,419**		**5,168**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022. Contributions amounting to £504,000 (2023: £442,000) were payable to the schemes at 31 July 2024 and are included within creditors.

Teachers' Pension Scheme

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. 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 FRS102 (28.11), the TPS is a multi-employer plan. The College is unable to identify its share of underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption of FRS102 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 anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The 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 (compared to £22 billion in the 2016 valuation).

From September 2019, employer contribution rates were set at 23.68% of pensionable pay, representing a 7.2% increase in rate from 16.48% prior to September 2019. The rate rose a further 5% to 28.68% from April 2024. The Department agreed to pay a teacher pension employer contribution grant to cover this additional cost during 2023-24 and has indicated it will continue to fund these increases for the 2024-25 academic year. The College received £1.035m in teacher pension employer contribution grant in 2023-24 (2022-23 £813k; see Note 2).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.
The employer's pension costs paid to TPS in the year amounted to £2,391,000 (2022: £2,176,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by London Pension Fund Authority (LPFA). The total contributions made for the year ended 31 July 2023 were £2,102,000, of which employer's contributions totalled £1,462,000 and employees' contributions totalled £640,000. On 23 September 2022 the College signed a deed offering the LPFA a legal charge on its Paddington Green Campus. This resulted in a drop in the employer contribution rate from 31.1% to 23.4%. The College benefitted further from the outcome of the LPFA's 2022 triennial valuation which saw the College's covenant grade increase from B to A status, resulting in a contribution rate for employers of 15.6% for three years from 1 April 2023. Contributions range from 5.5% to 12.5% for employees, depending on salary.

24 Defined benefit obligations (continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by Barnett Waddingham, a qualified independent actuary, for United Colleges Group.

	At 31 July 2024	At 31 July 2023
Discount rate	5.05%	5.15%
Pension increases (CPI)	2.85%	2.80%
RPI inflation	3.20%	3.20%
Salary increases	3.85%	3.80%

In addition to the above financial assumptions, an allowance has been made for actual pension increases up to and including the 2024 Pension Increase Order. This is reflected in the experience (gains)/losses on defined benefit obligations at 31 July. Further allowances have also been made for actual CPI inflation experienced from September 2023 to July 2024.

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

	At 31 July 2024	At 31 July 2023
Retiring today		
Males	20.4	20.4
Females	23.8	23.7
Retiring in 20 years		
Males	21.4	21.4
Females	24.9	24.9

Sensitivity analysis

The changes in assumptions below would increase /(decrease) the net liability as follows:

	At 31 July 2024 £'000	At 31 July 2023 £'000
Discount rate +0.1%	(1,185)	(1,105)
Discount rate -0.1%	1,213	1,131
Long term salary increase +0.1%	61	59
Long term salary increase -0.1%	(61)	(59)
Pension increases and deferred revaluation +0.1%	1,177	1,097
Pension increases and deferred revaluation -0.1%	(1,150)	(1,072)
Life expectancy +1 year	3,089	2,950
Life expectancy -1 year	(2,961)	(2,827)

24 Defined benefit obligations (continued)

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

	Fair value at 31 July 2024 £'000	Fair value at 31 July 2023 £'000
Equities	51,169	47,197
Target return portfolio	13,881	14,319
Infrastructure	9,115	10,035
Property	7,593	7,601
Cash	2,734	1,211
Total	**84,492**	**80,363**
Weighted average expected long term rate of return	**3.2%**	**3.2%**
Actual return on plan assets	**5,214**	**2,273**

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

	2024 £'000	2023 £'000
Fair value of plan assets	84,492	80,363
Present value of plan liabilities	(82,634)	(78,161)
Present value of unfunded liabilities	(31)	(31)
Adjustment recognised in actuarial losses to cap the scheme surplus	(1,827)	(2,171)
	-	-
Present value of unfunded liabilities-enhanced pension	(2,301)	(2,364)
Net pensions liability (Note 21)	**(2,301)**	**(2,364)**

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

	2024 £'000	2023 £'000
Amounts included in staff costs		
Current and past service cost	1,734	2,883
Past service cost	-	-
Employer contributions	(1,436)	(1,814)
	298	**1,069**
Amounts included in investment income		
Net interest income	148	(747)
Administration charges	(24)	(39)
	124	**(786)**

Amounts recognised in Other Comprehensive Income

	2024 £'000	2023 £'000
Return on pension plan assets	1,102	(329)
Other actuarial gains	-	1,843
Experience gains / (losses) arising on defined benefit obligations	362	(5,617)
Changes in assumptions underlying the present value of plan assets	(1,813)	25,538
Changes in assumptions underlying demographics	179	5,452
	(170)	**26,887**
Adjustment to cap the scheme surplus	344	(2,171)
Actuarial (losses) / gains - pension enhancement	(65)	322
	109	**25,038**

24 Defined benefit obligations (continued)

Movement in net definted benefit assets during the year

	2024	2023
	£'000	£'000
Net defined benefit asset / (liability) at 1 August	2,171	(22,861)
Movement in year:		
Current service cost	(1,734)	(2,883)
Employer contributions	1,436	1,814
Past service cost	-	-
Net interest on the defined liability	148	(747)
Actuarial gain or loss	(170)	26,887
Administration charges	(24)	(39)
Net definted benefit assets at 31 July	**1,827**	**2,171**

Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	78,192	99,644
Current service cost	1,734	2,883
Interest cost	3,964	3,349
Contributions by Scheme participants	640	568
Experience (gains)/ losses arising on defined benefit obligations	(362)	5,617
Changes in financial assumptions	1,813	(25,538)
Changes in demographic assumptions	(179)	(5,452)
Estimated benefits paid	(3,135)	(2,877)
Past service cost	-	-
Unfunded pension payments	(2)	(2)
Defined benefit obligations at 31 July	**82,665**	**78,192**
Changes in fair value of plan assets		
Fair value of plan assets at 1 August	80,363	76,783
Interest on plan assets	4,112	2,602
Return on plan assets less interest	1,102	(329)
Other actuarial gains	-	1,843
Employer contributions	1,436	1,814
Contributions by Scheme participants	640	568
Estimated benefits paid	(3,137)	(2,879)
Administration expenses	(24)	(39)
Fair value of plan assets at 31 July	**84,492**	**80,363**

25 Related party transactions

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

The total expenses paid to or on behalf of the Members of the Corporation during the year were £14,751 (2022-23: £13,294). This represents travel and subsistence expenses, mobile phone charges and other out of pocket expenses incurred in attending Corporation meetings, College events and conferences in their official capacity.

In August 22 the College resought and received approval from the Charity Commission to reimburse the in-post Chair of Governors for Trustee duties over and above those considered to be within the normal voluntary role of the Chair. The cost to the College in 2023-24 was £10,125 including on-costs (2022-23: £9,899 including on-costs).

No Member of the Corporation has received any remuneration from the College or its subsidiary during the year other than the Chair, the CEO and Accounting Officer, and two Staff Governors.

Included in Agency staff costs (see note 6) are costs of £242,891 including VAT (2022-23: £245,686 including VAT) paid to Click EMS Limited. Click EMS Limited is an interim management, quality improvement and leadership recruitment agency working in partnership with UK colleges, independent learning providers and education authorities. One of Click EMS Limited's executive directors is Mr. Colin Smith, who has acted as an independent member of the Corporation since 26 January 2019 serving on both the Corporation's Teaching, Learning and Skills Committe (TLS) and Governance, Search and Remuneration Committe (GSR). Mr. Colin Smith abstains from any College decisions concerning Click EMS Limited to ensure no conflicts of interest arise.

City of Westminster College was one of the original members of the Westminster Business Council, an influential community in London for connecting SMEs, Corporates and the local community. The College continues its membership of the Council and paid £6,000 including VAT in membership fees in 2023-24 (2022-23: £6,000 including VAT). Mrs. Amanda Thorneycroft is a member of the board of directors of Westminster Business Council. Mrs. Amanda Thorneycroft abstains from any College decisions concerning Westminster Business Council to ensure conflicts of interest are managed.

The College is a founding partner of VSPark Limited, trading as Visionnaires. Its aim is to create a college-owned national community of best practice supporting learners of all ages to develop entrepreneurial skills. In 2023-24 the College paid subscription fees of £25,000 to this partnership (£31,000 in 2022-23). At 31 July 2024, the College terminated its subscription in VSpark Limited. Mr Franklin Asante as a member of the Corporation was a non-executive director of VSPark Limited up to this date. The Conflicts of Interest policy is followed in relation to any conflicts that may arise.

The College has a wholly owned subsidiary called CWC Enterprises Limited. Each year intra-group transactions occur between the College and the subsidiary. During the year, £77,462 in income and £186,969 in non-pay expenditure was transferred from the subsidiary to the College (2023-24 £ nil in income and £41,312 in non-pay costs), and £101,404 in payroll costs were transferred from the College to the subsidiary (2023-24 £269,477). At 31 July 2024, amounts due from the subsidiary to the College amounted to £173,641 (£487,692 at 31 July 2023). This is shown in debtors due within one year (Note 12).

26 Learner support funds

	2024	2023
	£'000	£'000
Adult loans - funding body grants received	45	180
Adult loans - funding body grants clawed back	(77)	(52)
	(32)	128
Disbursed to students	(5)	(12)
Administration costs	-	-
	(5)	(12)

The College acts as a paying agent for certain funding. In these circumstances, the grant and related disbursements are excluded from the Statement of Comprehensive Income. However, the College has identified £469,000 in area uplift factors from previous years which have been released to Other Grant Income in 2023-24. As at 31 July 2024, the amount shown in creditors in relation to funds held as agent is £776,000 (2022-23: £1,282,000).

27 Events after the reporting period

None.