


West London College

REPORT AND FINANCIAL STATEMENTS

for year ended 31 July 2024

AIMING HIGH, CHANGING LIVES




Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

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

Karen Redhead	–	Chief Executive Officer (CEO) & Principal; Accounting Officer
Anil Nagpal	–	Chief Operating Officer (COO)
James Taylor	–	Deputy Principal (Curriculum and Quality)
Matt Fawcett	–	Deputy Principal (Planning, Partnerships & Projects)

Board of Governors

A full list of Governors is given on page 20 and 21 of these financial statements.

Professional advisers

Financial statements auditors and reporting accountants:
Buzzacott LLP
130 Wood St, London EC2V 6DL

Internal auditors:
Scrutton Bland
The Long Barn, Fornham, Bury St Edmunds, Suffolk, IP31 1SL

Bankers:
Barclays Bank PLC
Barclays Education Team, 1 Churchill Place, Canary Wharf, London, E14 5RB

Solicitors:
Mills and Reeve LLP
78-84 Colmore Row, Birmingham, B3 2AB

Contents

Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES:

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

Legal status

The Governing Body was established under the Further and Higher Education Act 1992 for the purpose of conducting Ealing, Hammersmith and West London College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Current Purpose, Mission, Vision, Values and Strategic Objectives

A strategic plan was developed in early spring 2019 led by the CEO in close partnership with the Board and in conjunction with other key internal and external stakeholders. A further review and update was conducted in August 2019 by the CEO and Deputy Principal Strategy, Planning and Communications. Accompanying this plan was a refresh of the College's mission statement, vision statement, corporate values, strategic objectives, KPIs and a robust risk register. The plan seeks to serve the College into the future, supporting the rapid change needed to re-establish the College as not only a financially sustainable organisation but one that can flourish and thrive. Following consultation, the strategic plan for the period 2019 to 2024 was approved by the Corporation on 17 October 2019 and is described below. The Strategic Plan was further reviewed during 2020 and this was approved by the Corporation in October 2020. In addition, the College registered with the Office for Students (the OfS) in January 2020 for delivery of higher education.

The College Group has recently developed a new strategic plan covering the period 2024-2029, setting out new strategic priorities. Our new strategic plan is place-based, focuses on our people and provides an ideal platform for driving innovation, growth and success. The plan places the college in a pivotal position in supporting economic prosperity and social well-being within the west London sub-region and across the UK's capital city. We will do this through excellent stakeholder partnerships and through high quality technical, vocational and professional education and skills development. Having established sound and solid foundations upon which to build, we are now very firmly on our journey towards excellence.

Purpose:

To develop outstanding citizens of the future.

Mission Statement:

To inspire learning and improve lives through education, training and skills development that supports social and economic success for our learners, businesses and communities across West London.

Vision Statement:

To be the leading college in West London for technical and vocational education and skills training.

Core Values:

- **Ambition**: We will strive to be the best in all areas of strategic importance to the College, enabling our learners, employers and staff to achieve high expectations and ambitious goals.
- **Innovation**: We will be innovative in our thinking, striving to embed new and original practices. We will embed innovation into our behaviours and our developments, helping our learners and staff to excel.
- **Accountability**: We will all take personal responsibility for driving success, overcoming barriers and finding solutions. We will be constantly learning and developing.
- **Inclusion**: We will be welcoming, supportive and our commitment to equality and diversity will underpin everything we do.

Strategic Objectives:

Financial Objectives

Creating a financially thriving College that is investing in its future

- Achieve **financial health score** of Good by 23/24
- Maintain a **positive cashflow** budget, with a balance of at least £5m that is maintained throughout the planning period
- Establish and maintain a minimum of **60 cash days in hand** that is maintained throughout the planning period
- Achieve **staffing cost** of 65% of income by 20/21 reducing further to 63% by the end of the planning period
- Achieve a **surplus (EBITDA)** of at least 2% by 20/21, increasing further to 8% by 23/24
- Improve the **adjusted current ratio** to at least 1.2 by 23/24
- Maintain a level of **borrowing** not exceeding 43% of income, with 2.0 debt service cover by the end of this plan
- Improve **capital expenditure** to circa £5m for 22/23 to support urgent upgrades, repairs and maintenance and at least £1.8 million each year thereafter

Business Development Objectives

Building stronger sustainable relationships with employers and wider stakeholders

- Grow **apprenticeships and supported internships** in line with regional and national priorities, with a focus on improving social mobility and inclusion
- Strengthen relationships with **Jobcentre Plus and other agencies** to grow and develop Sector Based Work Academies and other pre-employment training opportunities to support adults with low skills to progress into local and regional employment
- Build outstanding **stakeholder partnerships** that enable employers to influence and contribute to curriculum design, development and delivery in line with their needs
- Align business development activities in the curriculum to the regional **Skills Roadmap for London**, sub-regional and local priorities.
    - Apprenticeships
    - Social mobility / inclusive growth agenda and No Wrong Door

  - Good Work, including those on low wage, low skills jobs
  - ESOL, English, maths, digital skills and carbon literacy
  - SEND
  - L4 and L5 higher technical skills delivered in colleges
  - T level and Transition year programmes
- Support growth in **AEB** income where there are opportunities to do so
- Support growth in key **GLA/LEAP priority sectors** in West London
  - Construction / green skills
  - Hospitality, retail, catering, food production
  - Digital, creative, clean tech
  - Health, care services
- Positioning the College as a key anchor institution, acting as a community asset to local stakeholders and partners, including:
  - Greater London Authority / LEAP
  - Employers Representative Bodies
  - West London Alliance and individual Local Authorities
  - West London NHS Trust and the Integrated Care Services
  - Major employer and developments including Heathrow Airport and HS2
  - Construction developers and SME's in West London
  - Third sector and community voluntary sector organisations
- Continue to horizon scan for **bids and tender opportunities** that meet the strategic priorities of the College and provide opportunities for growth
- Diversify income by significant expansion of full-cost **commercial training** and opportunities to grow international work
- Continue to build partnerships with **subcontractors** where funding rules permit, and it is beneficial to the College's strategic direction
- Strengthen links with local **schools and the wider community** to support growth in 16-18 and apprenticeship programmes

Curriculum Objectives

To change life chances of all learners and see them progress into high value careers

- Increase the number of **16-19 year old learners**, particularly from **Ealing** schools
- Increase the proportion of 16-19 learners on **level 3 programmes**
- Develop content and delivery models for **Foundation Learning and level 2 programmes** to better prepare learners for **progression** and study beyond those levels
- Develop our level 4, 5, 6 **Higher Technical Skills** curriculum offer to ensure it is employment focused
- Increase the proportion of learners progressing into **positive destinations** including sustained employment
- Align the curriculum to the **Skills Roadmap for London** devolved priorities of
  - Apprenticeships
  - Social mobility / inclusive growth agenda and No Wrong Door
  - Good work, including those in low wage, low skills jobs

  - ESOL, English, maths, digital skills and carbon literacy
  - SEND
  - L4 and L5 delivered in colleges
  - T-level and transition year programmes
- Grow **AEB GLA** income where there are opportunities to do so
- Sharply focus curriculum growth in key **GLA/LEAP priority sectors** in West London
  - Construction / green skills
  - Hospitality, retail, catering, food production
  - Digital, creative, clean tech
  - Health, care services
- Further develop provision for learners with **learning difficulties and/or disabilities** to ensure good progression routes including supported internships and apprenticeships
- Continue to promote and support **inclusion and community cohesion** through ongoing development of Skills Pathways programmes
- Work with our **employer partners** and other stakeholders to ensure the curriculum is responsive and learners have opportunities to work with industry standard equipment and resources
- Provide our learners with a competitive advantage evident through the development of strong essential **employability skills**
- Respond to changes in the **construction sector**, including the development of green construction skills, modern methods of construction and digital construction
- To be innovative in our use of technology to enable learners to have access to high quality **e-learning** resources

Quality Objectives

To continuously strive for excellence in all that we do

- Continuously review and improve the **standard** of **teaching, learning and assessment** so that it is at least good across all curriculum areas
- Develop **impactful processes** to **support teachers** to continuously improve
- Maintain **high achievement rates** on **classroom** based programmes and improve pockets that are not yet high enough
- Increase overall **apprenticeship achievement rates** to above the national rates
- Improve the proportion of **high grades** achieved by learners
- Strengthen the **target setting** processes for all learners enabling them to achieve aspirational targets and goals and supporting their next steps
- Continue to develop, support and extend the **learner voice** strategy
- Achieve the **Gatsby** good career benchmarks
- Achieve and retain a grading of good in an **Ofsted** inspection within the duration of this plan

People and Culture Objectives

To employ highly motivated staff who are passionate about what they do, feel empowered and are aligned to our values

- Focus on developing our **culture**, to increase the connection of all staff to our corporate values.
- Implement staff **wellbeing culture** that focuses on health, well-being and work-load.
- Implement consistently effective and impactful **leadership and management** to include coaching, mentoring and shadowing
- Provide high quality **support and development** opportunities to aid staff to be effective in their roles as well as progressing in their careers.
- We will make full use of the **apprenticeship levy** to support staff in new roles.
- We will take up the FE sector initiatives to increase the **volunteering and social action opportunities** around our Campuses
- Extend our approach to **Fairness, Respect, Equality, Diversity, Inclusion & Engagement**, with a particular focus on race equality and LGBTQIA
- We will develop arrangements to strengthen the **staff voice** and to identify and implement actions to support **high staff morale**.
- Develop an HR function that is **proactive**, **impactful** and supported by high quality data and reporting systems

Estates Objectives

An estate that provides a sustainable, flexible, modern & inclusive environment that fully meets the needs of all stakeholders

- Develop a new **estates strategy** for 2021-2026 to build on the actions within this strategic plan that have already been achieved
- Deliver the **Hammersmith and Fulham College Redevelopment Project** on time and within budget in order to improve space utilisation, generate a capital receipt and radically improve facilities on this site
- Seek out capital funding opportunities to redevelop the Ealing Green and Southall College campuses to improve conditionality and functionality
- Exit **Park Royal College** in advance of the break clause point in the lease, including potential relocation of construction and green skills provision to the Southall Community College campus
- Realise the ambitions in the Environmental Sustainability Strategy to work towards net zero by decarbonising the Colleges' energy usage

Public Benefit

Ealing, Hammersmith & West London College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. Members of the Governing Body, who are trustees of the charity, are disclosed on page 20 and 21.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High quality teaching and assessing
- Widening participation and tackling social exclusion
- Excellent student progression into employment
- Strong student support processes and systems
- Good links with employers, industry and commerce
- Good links with key external bodies including local authorities, the Greater London Authority (GLA) and the local enterprise partnership (LEAP)

DEVELOPMENT AND PERFORMANCE

Performance indicators

The College is committed to observing the importance of sector measures and indicators, and uses the FE Choices data available on the GOV.UK website which looks at measures such as:

Performance Indicator	Target	Outcome
Learner achievement rates	86.7%	89.9%
Achievement of AEB funding target (ESFA and GLA combined)	100%	100%
EBITDA Education specific	£2.350m	£1.403m
Staffing costs as a % of adjusted income (excluding subcontracted income)	63.21%	62.17%
Liquidity and Borrowing ratios (borrowing as a % of adjusted income)	42.12%	39.21%
Staff utilisation	98%	94.2%
Cash days in hand	104	122

The College is assessed by the Education and Skills Funding Agency ("ESFA") as having a "Good" financial health grading (2022/23: financial health grading was "Good").

Financial results

The College Group incurred a £0.520m surplus before other gains and losses (2022/23 – deficit of £0.923m). The total comprehensive income was £36.337m in 2023/24 (2022/23 - £33.797m). The College achieved 98.44% of its Adult Education Budget allocation with the ESFA and 103.44% of its Adult Education Budget allocation with the Greater London Authority ("GLA") contract.

The College Group has accumulated positive reserves of £30.658m (2022/23 – £30.342m) with cash and short-term investment balances of £11.189m (2022/23 - £11.271m). The College Group has net current assets of £6.994m (2022/23 - £5.614m).

The College Group had a loan with Barclays Bank that was secured on the Ealing campus. The loan was fully repaid in July 2023. The College has a positive relationship with its bankers and continues to work closely with them.

The College Group has a loan with the ESFA. The original loan of £11.6m was fully repayable on the 31st January 2023. In July 2022, the College signed a nine year loan agreement for £13.647m relating to the original balance of £11.6m and also including £2.047m in respect of ESFA funding also owed to the ESFA. The loan repayments are up to date with payment of the principal beginning in December 2024 and therefore as at 31 July 2024, the balance outstanding was £13.647m (2022/23: £13.647m). Interest is payable on this balance annually at a rate equal to the PWLB rate and the loan is repayable in quarterly instalments terminating in June 2031 where any residual balance will be repayable in full.

During the year to 31 July 2019 the College took the decision to pause the Hammersmith development project for the foreseeable future. There were two principal uncertainties regarding the viability of the Hammersmith development and its ultimate completion. There is some uncertainty over the availability of sufficient future funding and although the DfE has provided capital grants during 2022/23 and 2023/24 of £5.586m, they are insufficient to undertake a large capital redevelopment project. The planning application has not yet been submitted, so there is some uncertainty as to whether planning permission will be granted. These matters will need to be resolved to enable the Hammersmith development to proceed.

Fixed asset additions during the year amounted to £2.918m (2022/23 - £2.944m).

The College Group received a number of revenue and capital grants from its funding bodies during 2023/24. One in particular was relating to the LSIF (Local Skills Improvement Fund) project. The objective was to provide support to education providers to respond to the specific priorities identified in the local skill improvement plans in the areas of Transport & Logistics, Retail, Food and Drink and Manufacturing. The College collaborated with two partner colleges and this is a two year project completing in March 2025.

Treasury policies and objectives

Treasury management is the management of the College Group's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer and Governing Body as appropriate. Following the announcement on 29 November 2022 to reclassify colleges into the public sector, any proposals for new private sector borrowing will need consent by the Department for Education (DfE).

Cash flows and liquidity

There was a decrease in cash/cash equivalents and short term deposits of £(0.082)m in 2023/24 (2022/23 – decrease of 3.636m). The net cashflow from operating activities was £3.331m (2022/23 - £5.616m) and the net cashflows from investing activities was £(3.213)m, (2022/23 - £(3.002)m); the net cashflows from financing activities was £(0.200)m (2022/23 - £(1.250)m) resulting in a decrease in cash/cash equivalents and short term deposits of £(0.082)m (2022/23 – decrease of (£3.636)m).

The College Group has made progress in 2023/24 in improving its financial position and in maintaining robust cash reserves. The College Group is continuing on its journey of financial turnaround and the updated financial plan will detail how the College Group will achieve its target to deliver continued improved financial performance.

The College Group has managed its cash position diligently throughout 2023/24 with a robust cash reserves position achieved as at 31 July 2024. As a result, there was no requirement to seek additional loan finance or dispose of assets.

Sources of income

The College Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In the current year, ESFA/GLA provided 82% of the group's total income.

Reserves Policy

The College Group has no formal Reserves Policy but recognises the importance of reserves in the financial stability of the organisation, and ensures that there are adequate reserves to support the College Group's core activities. The College Group consistently maintains robust cash balances ensuring they remain above the minimum level established by the Board. As at the balance sheet date the Income and Expenditure reserve, excluding the pension deficit reserve, stands at £9.312m (2022/23 - £8.484m).

As noted in the section on risks faced by the College Group on page 13, the College Group has a defined benefit pension asset which has been capped at £NIL in the financial statements (2022/23: NIL).

Group Company

The College had one active subsidiary, Capital Talent Box Limited (CTB) in 2023/24. CTB, provides educational support to the College in the form of temporary staffing resource to meet operational requirements and at present all the income generated by the subsidiary relates to amounts recharged to the College.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE TO RESOURCES

Future prospects

The College Group has a robust and realistic plan for 2024/25 and will continue to build on the achievements of 2023/24 as it continues in its trajectory to achieve ~~a~~ continuous financial improvement and establish the College Group on a strong financial footing. The College Group will continue to scrutinise all of its income and expenditure items closely to ensure it achieves its financial plan. There are clear opportunities for growth through improving relationships with key stakeholders, including local employers, local authorities, and government agencies. The College Group will focus on supporting these stakeholders to address local skills gaps and barriers to employment faced by some members of the local community.

The College Group will continue to analyse its costs with the aim of driving greater efficiencies, to achieve levels that are consistent with sector norms, allowing it to improve financial performance and net operating cash going forwards.

As noted previously, the College has an agreed and affordable repayment schedule with the ESFA for the £13.647m loan. This, when combined with the planned efficiency measures, has enabled the College to secure its financial sustainability in the long term.

In addition, the current economic climate with increased cost of living and energy costs will also impact the college in 2024/25. Increased energy costs increased during 2023/24 and may further impact during 2024/25. This will see increased financial pressure during the year. The College Group will need to manage any adverse movements as and when they arise.

Student numbers

In 2023/24 the College Group has delivered activity that has produced £27.9m in funding body main allocation funding (2022/23 – £25.9m). The College Group had approximately 13,087 funded and 829 self-funded students (2022/23 – 12,754 funded and 1,343 self-funded students).

Student achievements

Student achievement rates in 2023/24 were 89.9%, an increase compared to 86.3% in 2022/23.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2023 to 31st July 2024, the College Group paid about 48% of its invoices within 30 days. No interest was paid on any of these balances during the year.

RESOURCES:

Financial

The College Group has £30.658m of net assets (2022/23 - net assets of £30.342m) with a pension asset which has been capped at £NIL in accordance with the requirement of FRS102 (2022/23 - £NIL pension liability) and long term liabilities of £22.793m (2022/23 - £20.090m).

People

The College Group employed 513 people in the year (2022/23 - 553 people) (expressed as average headcount), of whom 171 (2022/23 – 184) were teaching staff.

Estate

The College's Estates Strategy 2021-2026 sets out a clear plan to ensure that it supports the long-term curriculum vision, financial recovery and plans for growth. The College reviewed the efficiency of the three main sites at Hammersmith, Ealing and Southall, and the one leased site at Park Royal College. The College vacated the Park Royal site during 2022/23 and successfully transferred activities to Southall.

The College Group continues to implement its estates strategy including plans to redevelop Hammersmith and Fulham College. The key issues identified relating to planning and funding (as explained on page 10) on the Hammersmith site are being progressed. These matters will need to be resolved to enable the Hammersmith development project to proceed. A number of capital grants were received during 2022/23 and 2023/24 to improve the condition of College estate and energy efficiency.

Reputation

The College Group has a good reputation locally and nationally. Maintaining a quality brand is essential for the College Group's success at attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES:

The College Group has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Governing Body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance and Internal Control.

A risk register is maintained at the College level which is reviewed regularly by the Audit Committee and the Senior Leadership Team. The risk register identifies the strategic risks, the likelihood of those risks occurring, their potential impact on the College Group and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The main risk factors affecting the College Group are outlined below along with the action taken to minimise them. Not all the factors are within the College Group's control. Other factors besides those listed below may also adversely affect the College Group.

1. Going concern

The College Group was informed in May 2023 it would no longer be in 'supervised' status with the ESFA after a Financial Health Notice to Improve issued in 2014. Following the successful lifting of the Financial Health Notice to Improve, the College was in Post Intervention Monitoring and Support (PIMS) and agreed a plan with the ESFA and the FE Commissioner's team which was in place for 12 months effective from October 2023. The plan has been successfully implemented. The College has had positive discussions with the Department for Education (DfE) which has indicated that the College will be coming out of PIMS. The College is awaiting official confirmation. The College Group will continue to take action in order to mitigate any emergent risks to the going concern status of the College Group. Page 17 provides further details.

2. Government funding

The College Group has considerable reliance on continued government funding through the further education sector funding bodies. In 2023/24, 82% (2022/23 - 82%) of the College Group's revenue was publicly funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk is mitigated by ensuring that the College Group takes a rigorous approach in delivering high quality education and training, aligning with the skills priorities of the main funders and maintaining and managing key relationships with the funding bodies.

3. Estates

The College's Estates Strategy 2021-2026 sets out a clear plan to ensure that it supports the long-term curriculum vision, financial recovery and plans for growth. The College reviewed the efficiency of the three main sites at Hammersmith, Ealing and Southall, and the one leased site at Park Royal College. The College vacated the Park Royal site during 2022/23 and successfully transferred activities to Southall. The College Group continues to implement its estates strategy whilst managing any emergent issues.

The College Group continues to implement its estates strategy including plans to redevelop Hammersmith and Fulham College. The key issues identified relating to planning and funding (as explained on page 10) on the Hammersmith site are being progressed. These matters will need to be resolved to enable the Hammersmith development project to proceed. A number of capital grants were received during 2022/2023 and 2023/2024 to improve the condition of College estate and energy efficiency. The Finance and General Purposes Committee of the Governing Body will closely monitor all matters relating to capital development.

4. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme on the College Group's balance sheet in line with the requirements of FRS 102. For 2023/24, a £NIL balance is included in the balance sheet. The College Group continues to make regular payments in line with the required contribution levels.

5. Tuition fee policy

The ESFA has confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, Ealing, Hammersmith and West London College will seek to increase tuition fees in accordance with the fee assumptions. The risk for the College Group is that demand falls off as fees increase. This will impact on the income of the College Group.

This risk is mitigated in the following ways:

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

The College Group has established robust risk management processes to capture, monitor and mitigate all identified risks. The College Group has a detailed risk register which is regularly monitored.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Ealing, Hammersmith and West London College has many stakeholders. These include:

- Students
- Education sector funding bodies
- FE Commissioner
- Staff
- Bankers
- Local employers
- Local authorities
- Employer Representative Bodies
- The local community
- Other FE institutions
- Trade unions
- Professional bodies
- Local pension partnerships

The College recognises the importance of these relationships and engages with its stakeholders through regular communication and meetings.

Trade union facility time

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

Relevant union officials

Numbers of employees who were union officials during relevant period	FTE employee number
6	5.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	6
51-99%	0
100%	0

Percentage of pay bill spent on facility activities

Total cost of facility time	£20,819
Total pay bill	£20.982m
Percentage of total bill spent on facility time	0.11%

Paid trade union activities

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

Equality and Diversity

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, sex, sexual orientation, disability, religion or belief, age, marriage, pregnancy and gender reassignment. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat discrimination. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy is published on the College's website.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, and guarantees an interview to any applicant with a disability who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has also implemented an updated Equality & Diversity training programme which all staff have completed online. Refresher training and training for new starters is carried out on an ongoing basis.

Disability statement

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

a) As part of its earlier accommodation strategy the College conducted an access audit. This audit was carried out sometime ago and access arrangements are being kept under review. The College will consider reasonable adjustments as appropriate.

b) The College has in place Special Educational Needs Coordinators, who provide information, advice and arrange support where necessary for students with disabilities.

c) There is specialist equipment, such as radio aids, which the College makes available for use by students and a range of assistive technology is available in the learning centres.

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

e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of additional learning support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.

g) Counselling and welfare services are described in the College student guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

h) The College proactively adheres to the SEND Code of Practice and provides advocacy for students when they are facing challenges to their achievement and progression via external services

Going Concern

The College Group was informed in May 2023 it would no longer be in 'supervised' status with the ESFA after a Financial Health Notice to Improve issued in 2014. Following the successful lifting of the Financial Health Notice to Improve, the College was in Post Intervention Monitoring and Support (PIMS) and agreed a plan with the ESFA and the FE Commissioner's team which was in place for 12 months effective from October 2023. The PIMS plan has been successfully implemented. The College has had positive discussions with the Department for Education (DfE) who have indicated we will be coming out of PIMS. We are awaiting official confirmation.

The College Group has a robust Strategic Plan which is underpinned by a comprehensive Operational Plan, both are closely monitored by the Senior Leadership Team, the Governing Body and the agencies.

The College Group has an interest bearing loan with the ESFA. The original loan of £11.6m was fully repayable on the 31 January 2023. In July 2022, the College signed a nine year loan agreement for £13.647m relating to the original balance of £11.6m and also including £2.047m in respect of ESFA funding also owed to the ESFA. The loan repayments are up to date with the payment of the principal beginning in December 2024 and therefore as at 31 July 2024, the balance outstanding was £13.647m (2022/23: £13.647m). Interest is payable on this balance annually at a rate equal to the PWLB rate and the loan is repayable in quarterly instalments terminating in June 2031 where any residual balance will be repayable in full. These repayments have been modelled into cashflows forecasts and are affordable for the college.

The College Group had a loan with Barclays Bank that was secured on the Ealing campus. The loan was fully repaid in July 2023. The College has a positive relationship with its bankers and continues to work closely with them.

The College Group cash position is strong with £11.189m cash position as at the 31 July 2024 (31 July 2023: £11.271m). It should be noted that the College Group has a strong asset base and as outlined in the Estates Strategy, the College Group will continue to ensure efficient use of its assets which will in turn provide further cash improvement for the College Group.

The College Group has produced strong and robust cashflow forecasts through to July 2025 that shows a strong cash position in financial years 2024/25 and 2025/26. These forecasts have been stress tested to review how the College Group would cope under a variety of circumstances. Thus, the College Group continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

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

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

Ian Comfort
Chair of the Governing Body

Statement of Corporate Governance and Internal Control

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

The College endeavours to conduct its business:

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

The College is committed to exhibiting best practice in all aspects of its corporate governance arrangements. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges issued by the Association of Colleges, which it formally adopted on 14 July 2015. In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. The College draws upon wider best practice and takes account of developments in governance practice under codes which the College has not formally adopted.

The College's current governance arrangements were established following a full review in early 2019. Committees' terms of reference were reviewed during 2023/24. A governor skills audit was conducted in early 2024 and considered by the Search, Governance & Remuneration Committee on 14 March 2024. During 2023/24, the Governing Body's membership included two governors who are qualified accountants with expertise in corporate finance and treasury management; the chair of Finance and General Purposes Committee has senior level experience in corporate finance and the Chair of the Board has extensive experience of financial management in large educational organisations.

The College commissioned an external governance review in November 2023. The review was conducted by Stone King LLP between January and May 2024 and the report was approved by the Board on 2 July 2024. A summary of the report prepared by the reviewer is published on the College's website.

The Governing Body

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

Name	Date of Appointment	Term of Office ends	Date term ended or resigned	Officer positions Committees Served Company Directorships	Attendance
Ian Comfort (Chair)	13/02/2019	21/02/2025	-	Corporation (Chair) Finance & General Purposes Search, Governance & Remuneration	4 of 6 2 of 6 4 of 5
Phillip Kerle (Vice Chair)	13/02/2019	12/02/2025	-	Corporation (Vice Chair) Finance & General Purposes (Chair) Search, Governance & Remuneration *Director of Capital Talent Box Limited*	6 of 6 6 of 6 5 of 5
Maddalaine Ansell	17/10/2023	16/10/2027	-	Corporation Curriculum & Quality	4 of 6 4 of 5
Saboora Aqsa	10/10/2024	31/07/2025	-	Corporation Curriculum & Quality	1 of 1 0 of 0
Mirza Baig	10/10/2024	31/07/2025	-	Corporation Curriculum & Quality	1 of 1 0 of 0
Sarah Benjamin	18/10/2022 19/11/2024	17/10/2024 18/11/2026	17/10/2024	Corporation Curriculum & Quality	6 of 6 5 of 5
Rachael Fisher	31/01/2023	30/01/2027	-	Corporation Audit (Chair) Search, Governance & Remuneration	4 of 6 6 of 6 5 of 5
Laura Gladstone	31/01/2023	30/01/2027	-	Corporation Curriculum & Quality	6 of 6 5 of 5
Robin Ghurbhurun	28/01/2021	27/01/2025	-	Corporation Audit Curriculum & Quality (Chair) Search, Governance & Remuneration	3 of 6 1 of 1 5 of 5 3 of 5
Alex Hayman	28/11/2023	31/12/2023	31/12/2023	Audit (co-opted)	1 of 1
Carole Kitching	17/10/2023	16/10/2027	-	Corporation Curriculum & Quality	5 of 6 5 of 5
Sharon Lambert	30/03/2023	30/03/2025	-	Corporation Curriculum & Quality	4 of 6 4 of 5
Suzanne Lyne	02/07/2024	01/07/2028	-	Corporation Audit	2 of 2 2 of 2
Yusra Mehmood	17/10/2023	31/07/2024	31/07/2024	Corporation Curriculum & Quality	2 of 5 0 of 5
Shawez Mir	17/10/2019	16/10/2025	-	Corporation Audit *Director of Capital Talent Box Limited*	4 of 6 6 of 6
Kunal Parkash	16/01/2024	15/01/2028	-	Corporation Audit	2 of 4 4 of 4
Adrien Ong	31/01/2023	30/01/2027	-	Corporation Search, Governance & Remuneration (Chair)	5 of 6 5 of 5
Karen Redhead (Chief Executive Officer & Principal)	03/09/2018	- *ex officio*	-	Corporation Curriculum & Quality Finance & General Purposes *Director of Capital Talent Box Limited*	5 of 6 5 of 5 6 of 6

Name	Date of Appointment	Term of Office ends	Date term ended or resigned	Officer positions Committees Served Company Directorships	Attendance
Rachel Roberts	31/01/2023	30/01/2027	23/10/2023	Curriculum & Quality (co-opted)	0 of 0
Jonathan Roe	14/12/2021	13/12/2025	-	Corporation Finance & General Purposes	6 of 6 4 of 6
Mustafa Sami Qazi	23/05/2022	22/05/2026	30/09/2023	Corporation Audit	0 of 0 1 of 1
Saad Siddiqui	28/01/2021	27/01/2025	30/09/2023	Audit (co-opted)	1 of 1
Christopher Taylor	14/12/2021	13/12/2025	-	Corporation Finance & General Purposes	6 of 6 4 of 6

Notes:
(1) Attendances are given with reference to the period during which a governor was a member of the Corporation.
(2) The Clerk to the Corporation during the period 1 August 2023 to 31 July 2024 was Richard Ward.

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

The Governing Body is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Governing Body meets at least once a term and in 2023/24 held five formal meetings, and undertook other activities including campus visits and workshops in connection with the College's new strategic plan.

A comprehensive review of key governing documents was considered by the Search, Governance & Remuneration Committee on 3 October 2023 and approved by the Governing Body on 17 October 2023. This included revisions to the Instrument & Articles of Government and rewritten Standing Orders, alongside updated terms of reference and cycles of business.

Full minutes of all meetings, except for items deemed to be confidential by the Governing Body, are available on the College's website at http://www.wlc.ac.uk or from the Director of Governance at:

Ealing, Hammersmith and West London College
Gliddon Road
Barons Court
London W14 9BL

All governors are able to take independent professional advice in support 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. Under the Governing Body's Instrument & Articles of Government, the Director of Governance is directly accountable to the Board.

Formal agendas, papers and reports are supplied to governors seven days in advance of Board and committee meetings. Regular governance briefings are provided to governors and a programme of training and development activities is informed by organisational priorities, the identified needs of governors and sector developments.

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

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

The Board has used the skills audit, strategic plan and external governance review to inform recruitment to the Board and its committees.

One governor and a co-opted committee member resigned at the end of September 2023 and a further co-opted committee member resigned in October 2023. A temporary appointment of a co-opted committee member was made by the Audit Committee between November and December 2023. The Board made two appointments to the Curriculum & Quality Committee in October 2023, and two appointments to the Audit Committee in January and July 2024. The complementary backgrounds of the new appointments have increased the effectiveness and capacity of the governing body. The College's induction arrangements for new governors revised and strengthened by the Director of Governance at the start of the year.

Training and development undertaken by the Governing Body and the Director of Governance during the year included the following subjects:

- Estates
- Strategic development
- Equality, diversity and inclusion
- regular briefings covering College and governance news

Appointments to the Governing Body

Any new member appointments to the Governing Body are a matter for the Governing Body as a whole. The Search, Governance & Remuneration Committee comprises five members of the Corporation, and is responsible for the selection and nomination of any new external member. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Governing Body are typically appointed for a term of four years, renewable once to a maximum of eight years.

Governing Body performance

The Governing Body has a matrix of self-assessment processes which include:

- evaluation at the end of each meeting
- annual skills survey
- annual board effectiveness review and survey (other than in the year of an external review)
- attendance monitoring

There is also an appropriate review of members before reappointment by the Search and Governance Committee.

The College participated in an external governance review between January and May 2024, the results of which were published by the college in July 2024 following consideration by the Board at its last meeting of the academic year on 2 July 2024. The review was conducted by Alison Shillito on behalf of Stone King LLP. The recommendations of the review were be reviewed by the Search, Governance & Remuneration Committee through the College's governance improvement action plan at its meeting in November 2024.

Search, Governance & Remuneration Committee

The Search, Governance & Remuneration Committee met four times in 2023/24 on 3 October, 23 November, 14 March and 13 June. The membership of the Committee comprised the Chair of the Corporation and the Chairs of committees. The Committee is chaired by an external governor. The Committee's remuneration responsibilities include making recommendations to the Board on the targets, appraisal, remuneration and benefits of the senior post holders of the College.

The Board adopted the AoC Senior Post Holder Remuneration Code in May 2019 and has published the annual statement on the Governing Body in compliance with the Code, following approval by the Search, Governance & Remuneration Committee in November 2023. The College has complied with the Code throughout the financial year and up to the date of the signing of this report, this is evidenced in the minutes of the meetings held by the Committee throughout this period. As required by the Code, the Chair of the Corporation is not the Chair of the Remuneration Committee but is a member. As stipulated by the AoC Senior Post Holder remuneration code, the CEO and Principal is not a member of the Committee but may attend by invitation to advise the Committee on relevant performance matters.

Details of remuneration for the year ended 31 July 2024 are set out in note 7 to the financial statements.

The Committee's Search & Governance responsibilities include overseeing succession planning and recruitment to the Governing Body, commissioning the College's external governance review and monitoring the effectiveness of the College's governance arrangements.

Audit Committee

The Audit Committee comprises four members of the Governing Body. The Committee operates in accordance with written terms of reference approved by 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 Committee has considered the skills and development of its membership in accordance with the Audit Code of Practice 2023/24.

The Audit Committee met four times in 2023/24 and twice in 2024/25 up to the point at which this report was presented to the Governing Body. The Audit Committee provides a forum for reporting by the College's internal, reporting accountants and financial statements auditors.

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 and makes recommendation to the Governing Body on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Governing Body.

Finance & General Purposes Committee

The Finance & General Purposes Committee met on four occasions in 2023/24; it has met twice in 2024/25 up to the point at which this report was presented to the Governing Body. It fulfils its main responsibilities including making recommendations to the Governing Body about the annual budget, monitoring performance in relation to the approved budget, the College companies, VAT, cash flow forecasts, investment policy, financial regulations. It supports the governing body by considering the framework for the pay, terms and conditions for the College's staff (except for senior post holders).

Curriculum and Quality Committee

The Curriculum and Quality Committee met four times in 2023/24. It has convened for one meeting in 2024/25 as at the date of this report's presentation to the Governing Body.

The Curriculum and Quality Committee provides assurance to the Corporation that:

- The curriculum is responding to, and meeting, the needs of learners, employers and other key stakeholders at a local, regional and, where appropriate, national level.
- Achievement, progress and progression of learners are being monitored against internal targets and that robust plans are in place to improve students' performance to match and exceed those achieved by colleges nationally.
- Robust systems are in place to monitor standards of teaching, learning and assessment are that appropriate frameworks are in place to effect improvement including performance management.
- The student voice is articulated and reviewed and is used to drive continuous improvement in teaching, learning and assessment.
- That there is continuous improvement of the student academic experience and student outcomes for higher education provision and that the standard of awards are appropriately set and maintained.

Internal control

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which the CEO is personally responsible, in accordance with the responsibilities assigned to the CEO in the Funding Agreement between Ealing, Hammersmith and West London College and the funding body and the OfS registration conditions. The CEO is also responsible for reporting to the Governing Body 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 Ealing, Hammersmith and West London College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body 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 Governing Body 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 Senior Leadership Team and the Governing Body.

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 Governing Body;
- regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- 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 Governing Body on the recommendation of the Audit Committee. At minimum, annually, a representative of the internal audit service provides the Governing Body with a report on internal audit activity in the College, which includes an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the College

A strategic risk register is reviewed regularly by the Audit Committee and the Senior Leadership Team. The strategic risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system and three lines of defence are incorporated within the full register. For more detail on the key operational, financial, compliance and other risks face by the College please see pages 13 and 14 of these financial statements.

Control weaknesses identified

A plan of work has been agreed with the internal auditors and this has been approved by the Audit Committee. The work planned has continued throughout the year and the internal auditors present their findings in an annual report to the Audit Committee. All findings and recommendations from the internal audit reports are considered and implemented by the senior leadership team and progress against these is reviewed by the Audit Committee throughout the year.

Responsibilities under funding agreements and the Office for Students Conditions of registration

The Governing Body has considered its responsibility to notify the ESFA/GLA and OfS (Office for Students) of any material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreements and contracts with the ESFA/GLA/OfS. As part of our consideration we have had due regard to the requirements of grant funding agreements and contracts with the ESFA/GLA/OfS and no instances of material irregularity, impropriety or funding noncompliance have been discovered to date.

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

Statement from the Audit Committee

The Audit Committee has advised the Governing Body that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes that 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 are documented in the Internal Audit plan and reviewed in the annual report of the Audit Committee.

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. The CEO's 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; and
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors in their management letters and other reports.

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

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Audit Committee also receives 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 governing body receives regular reports from the Audit Committee on the management of the College's strategic risks in which the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting in December 2024, the Governing Body carried out an annual assessment for the year ended 31 July 2024 by considering documentation from the Senior Leadership Team and internal audit and taking account of events since 31 July 2024.

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

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

Ian Comfort

Chair of the Governing Body

Karen Redhead

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, propriety and compliance, and the requirements of grant funding agreements and contracts with the ESFA and has considered its responsibility to notify the 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 the ESFA or any other public funder. This includes the elements outlined on the "Dear Accounting Officer" letter of 29 November 2022 and ESFA's bite size guides.

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

Karen Redhead

Karen Redhead

Accounting Officer

10 December 2024

Statement of the Chair of Governors

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

Ian Comfort

Chair of the Governing Body

10 December 2024

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation, who act as trustees for the charitable activities of the College, are required to present audited financial statements for each financial year.

Within the terms and conditions of the Corporation's grant funding agreements and contracts with ESFA and GLA, 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 gives a true and fair view of the state of affairs of the Corporation and 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 (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

The Corporation is also required to prepare a Members' Report that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

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

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

Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by:

Ian Comfort

Chair of the Governing Body

Independent Auditor's Report to the Corporation of Ealing, Hammersmith & West London College

Opinion

We have audited the financial statements of Ealing, Hammersmith & West London College and its subsidiary (collectively the 'Group') for the year ended 31 July 2024 which comprise the Group and College statement of comprehensive income and expenditure, the Group and 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) and the College Accounts Direction 2023 to 2024 issues by the Education and Skills Funding Agency).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the College's affairs as at 31 July 2024 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education (the 2019 FE HE SORP) and the Accounts Direction 2023 to 2024 issued by the ESFA.
- In all material respects, funds from whatever source administered by the Group and 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 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 OfS's 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 and the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 and the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report to the Corporation of Ealing, Hammersmith & West London College (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- certain disclosures of members' remuneration specified by law are not made.

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

- The College's grant and fee income, as disclosed in notes 2 and 3 to these financial statements has been materially misstated.

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the members of the Corporation 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 members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Corporation of Ealing, Hammersmith & West London College (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our 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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our 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 the 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 Group and 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 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.

Independent Auditor's Report to the Corporation of Ealing, Hammersmith & West London College (continued)

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 Governing Body meetings;
- enquiring of management as to actual and potential litigation and claims; and.
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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 non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Governing Body 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 is available 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 Governing Body in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Governing Body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants and Registered Auditor
130 Wood Street
London
EC2V 6DL

Dated: 17 December 2024

Consolidated and College Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Group	**College**	**Group**	**College**
		£'000	**£'000**	**£'000**	**£'000**
INCOME					
Funding body grants	2	29,437	29,437	27,687	27,687
Tuition fees and education contracts	3	4,735	4,735	5,190	5,190
Other grants and contracts	4	492	492	117	117
Other income	5	324	324	406	406
Investment income	6	1,349	1,349	397	397
Total income		**36,337**	**36,337**	**33,797**	**33,797**
EXPENDITURE					
Staff costs	7	20,982	21,278	19,424	19,613
Other operating expenses	8	12,461	12,165	12,066	11,877
Depreciation and amortisation	11/12	1,618	1,618	2,665	2,665
Interest and other finance costs	9	756	756	565	565
Total expenditure		**35,817**	**35,817**	**34,720**	**34,720**
Surplus/(Deficit) for the Year		**520**	**520**	**(923)**	**(923)**
Remeasurement of enhanced pension provision	18	**(19)**	**(19)**	**103**	**103**
Actuarial (loss)/gain in respect of pensions schemes	21	**(185)**	**(185)**	**2,491**	**2,491**
		316	**316**	**1,671**	**1,671**
Total Comprehensive Income for the Year		**316**	**316**	**1,671**	**1,671**
Operating Surplus is realised as follows:					
Surplus/(Deficit) for the Year		520	520	(923)	(923)
add back FRS102 items recognised in the Statement of Comprehensive Income		(185)	(185)	1,024	1,024
Operating Surplus		**335**	**335**	**101**	**101**

Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group and College			
Balance at 31 July 2022	6,301	22,370	28,671
Deficit from the income and expenditure account	(923)	-	(923)
Other comprehensive income	2,594	-	2,594
Transfers between revaluation and income and expenditure reserves	512	(512)	-
Balance at 31 July 2023	**8,484**	**21,858**	**30,342**
Surplus from the income and expenditure account	520	-	520
Other comprehensive income	(204)	-	(204)
Transfers between revaluation and income and expenditure reserves	512	(512)	-
Total comprehensive income for the year	828	(512)	316
Balance at 31 July 2024	**9,312**	**21,346**	**30,658**

Consolidated and College Balance Sheet as at 31 July 2024

	Notes	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Fixed Assets					
Tangible Fixed Assets	11	46,916	46,916	45,578	45,578
Intangible Assets	12	371	371	114	114
		47,287	**47,287**	**45,692**	**45,692**
Current Assets					
Debtors	14	2,174	2,171	1,813	1,783
Short term deposits		5,000	5,000	5,000	5,000
Cash at bank and in hand		6,189	6,166	6,271	6,245
		13,363	**13,337**	**13,084**	**13,028**
Less: Creditors – amounts falling due within one year	15	(6,369)	(6,343)	(7,470)	(7,414)
Net Current Assets		**6,994**	**6,994**	**5,614**	**5,614**
Total Assets less Current Liabilities		**54,281**	**54,281**	**51,306**	**51,306**
Less: Creditors – amounts falling due after more than one year	16	(22,793)	(22,793)	(20,090)	(20,090)
Provisions					
Other Provisions	18	(830)	(830)	(874)	(874)
Defined Benefit Obligations	18	-	-	-	-
Total Net Assets		**30,658**	**30,658**	**30,342**	**30,342**
Reserves					
Unrestricted Reserves					
Income and Expenditure including Pension Liability		9,312	9,312	8,484	8,484
Revaluation Reserve		21,346	21,346	21,858	21,858
Total Unrestricted Reserves		**30,658**	**30,658**	**30,342**	**30,342**

The financial statements on pages 36 to 67 were approved and authorised for issue by the Governing Body on 10 December 2024 and were signed on its behalf on that date by:

Ian Comfort

Karen Redhead

Ian Comfort
Chair of the Governing Body

Karen Redhead
Accounting Officer

Consolidated Statement of Cash Flows

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash used in operating activities			
Surplus/(deficit) for the year		520	(923)
Adjustments for non-cash items			
Depreciation and amortisation		1,618	2,664
Decrease/(increase) in debtors		(361)	952
(Decrease)increase in creditors due within one year		(1,552)	369
Increase/(decrease) in creditors due after one year		3,154	2,005
(Decrease) in provisions		(63)	(569)
Pensions costs less contributions payable (including finance costs)		(185)	1,024
Adjustment for investing or financing activities			
Interest payable		713	491
Interest receivable		(513)	(397)
Net cash flow from operating activities		**3,331**	**5,616**
Cash flows from investing activities			
New short term deposits		-	(5,000)
Proceed from sale of fixed assets		-	-
Payments made to acquire fixed assets		(3,213)	(3,002)
		(3,213)	**(8,002)**
Cash flows from financing activities			
Interest paid		(713)	(483)
Interest received		513	397
Repayments of amounts borrowed		-	(1,164)
		(200)	**(1,250)**
(Decrease) in cash equivalents in the year		**(82)**	**(3,636)**
Cash and cash equivalents at beginning of the year	19	6,271	9,907
Cash and cash equivalents at end of the year	19	6,189	6,271

Notes to the Accounts

1 Statement of accounting policies and estimation techniques

General Information

Ealing, Hammersmith & West London College is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 21. The nature of the College Group's operations are set out in the Report of the Governing body.

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

Basis of Accounting

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 2023 to 2024, Regulatory Advice 9: Accounts Direction issued by the Office for Students, and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), under the historical cost convention, modified to include the revaluation of freehold properties and subsequently carried at deemed cost. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

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

Reduced disclosures

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Capital Talent Box Limited controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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.

1 Statement of accounting policies and estimation techniques (continued)

The following dormant subsidiary is exempt from preparing accounts under s394A of the Companies Act 2006 and from filing individual accounts with the Registrar under s448A of the Companies Act 2006:

West London College Limited

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Going concern

The College Group was informed in May 2023 it would no longer be in 'supervised' status with the ESFA after a Financial Health Notice to Improve issued in 2014. Following the successful lifting of the Financial Health Notice to Improve, the College was in Post Intervention Monitoring and Support (PIMS) and agreed a plan with the ESFA and the FE Commissioner's team which was in place for 12 months effective from October 2023. The plan has been successfully implemented. The College has had positive discussions with the Department for Education (DfE) who have indicated we will be coming out of PIMS. We are awaiting official confirmation.

The College Group has a robust Strategic Plan which is underpinned by a comprehensive Operational Plan, both are closely monitored by the Senior Leadership team, the Governing Body and the agencies.

The College has an interest bearing loan with the ESFA. The original loan of £11.6m was fully repayable on the 31st January 2023. After further discussions with the DfE, the College signed in July 2022 a nine year loan for £13.647m including £2.047m in respect of ESFA funding also owed to the ESFA and previously included in creditors. The loan repayments are scheduled to begin in December 2024 based on arrangements outlined in the agreement and therefore as at 31 July 2024, the balance outstanding was £13.647m. Interest is payable on this balance annually at a rate equal to the Public Works Loan Board (PWLB) rate and the loan is repayable in quarterly instalments termination in June 2031 where any residual balance will be repayable in full.

The College Group had a loan with Barclays Bank that was secured on the Ealing campus. The loan was fully repaid in July 2023. The College has a positive relationship with its bankers and continues to work closely with them.

The College is able to demonstrate that it is able to operate effectively. The College's forecasts and financial projections indicate that it will be able to operate within the existing banking facilities for the foreseeable future.

The College Group has a strong asset base and as outlined in the Estates Strategy, it will continue to ensure efficient use of its assets which will in turn provide it with further cash improvement.

1 Statement of accounting policies and estimation techniques (continued)

The College Group has produced strong and robust cashflow forecasts through to July 2025 that shows a strong cash position in financial years 2024/25 and 2025/26. These forecasts have been stress tested to review how the College Group would cope under a variety of circumstances.

Thus, the College Group continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Grants – government and non-government

Revenue grant funding

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Funding body recurrent grants are measured in line with best estimates for the year of what is receivable and depend on the particular income stream involved. Any under achievement of the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end. Where this process involves negotiations in respect of over achievement or adjustment to claw back in respect of underachievement, where negotiations are subsequent to the year end, they are not reflected in the income recognised.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Capital grant funding- government grants

Government capital grants for assets, including land, are accounted for under the accruals model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year, and those due after more than one year are recognised in income when the College has met the performance-related conditions and the grant will be received.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees is recognised over the period for which it is received.

1 Statement of accounting policies and estimation techniques (continued)

All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

Retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

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 the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts include in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Enhanced Pensions

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

Fixed asset investments

College

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statements of the College.

1 Statement of accounting policies and estimation techniques (continued)

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 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

- Buildings — 20-50 years
- Building improvements — 7-13 years
- Leasehold improvements — Over the lease term

Freehold land is not depreciated.

The College Group has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

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 statement of comprehensive income 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.

On adoption of FRS 102, the College Group followed the transitional provision to retain the book value of land and buildings, which were revalued in 1997 and 1999, as deemed cost but not to adopt a policy of revaluations of properties in the future.

Subsequent expenditure on existing fixed assets

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

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:

- Computer equipment — 4 years
- Furniture, fixtures and fittings — 4 years

Motor Vehicles

- Motor vehicles — 4 years

1 Statement of accounting policies and estimation techniques (continued)

Intangible fixed assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to the statement of comprehensive income on a straight-line basis over their useful lives, and for purchased computer software this is 6 years.

Impairments of fixed assets

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

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses.

Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

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

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College Group has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

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 Statement of accounting policies and estimation techniques (continued)

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added

to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Cash at bank and in hand

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

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

Deposits and investments with a maturity of more than three months but less than one year from acquisition have been disclosed as short term deposits.

Financial instruments

The College Group has chosen to adopt Section 11 of FRS 102 in full in respect of basic financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

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

1 Statement of accounting policies and estimation techniques (continued)

Provisions and contingent liabilities

Provisions are recognised when:

- the College Group 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 Group 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 Group. 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 Group 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 Group where the College Group is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- *Going Concern*
  The adoption of the going concern basis is based upon the College agreeing an affordable repayment schedule on the ESFA loan facility and resolving the events of default. This has now been achieved. As noted in the going concern policy, the College Group has sufficient cash reserves to pay liabilities as they fall due, with the exception of the ESFA loan support, and so would be considered as a going concern.

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.

1 Statement of accounting policies and estimation techniques (continued)

- *Local Government Pension Scheme*
  The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding Body Grants

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group £'000	**College £'000**	**Group £'000**	**College £'000**
Recurrent Grants				
Education and Skills Funding Agency - 16 -18	13,598	13,598	13,273	13,273
Adult Education Budget	13,556	13,556	11,972	11,972
Education and Skills Funding Agency - apprenticeships	689	689	630	630
Office for Students	10	10	13	13
Total	27,853	27,853	25,888	25,888
Specific Grants				
Teacher Pension Scheme contribution grant	622	622	514	514
Releases of government capital grants	700	700	532	532
Education and Skills Funding Agency - other	6	6	126	126
Total	1,328	1,328	1,172	1,172
Specific Grants				
ESFA -Tuition fund	256	256	257	257
DfE – Strategic Development Fund	-	-	370	370
Total	256	256	627	627
Total	**29,437**	**29,437**	**27,687**	**27,687**

3 Tuition fees and education contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Fee income from non qualifying courses (exclusive of VAT)				
Adult Education Fees	1,117	1,117	1,425	1,425
Fees for FE Loan Supported Courses	92	92	273	273
Fees for HE Loan Supported Courses	-	-	29	29
Total Tuition Fees	**1,209**	**1,209**	**1,727**	**1,727**
Education Contracts	3,526	3,526	3,463	3,463
Total Fee Income from non-qualifying courses (exclusive of VAT)	**4,735**	**4,735**	**5,190**	**5,190**
HE Fee income for taught awards (exclusive of VAT)	-	-	29	29
HE Fee income for research awards (exclusive of VAT)	-	-	-	-
HE Total Fee Income from non-qualifying courses (exclusive of VAT)	-	-	-	-
	-	**-**	**29**	**29**

4 Other grants and contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grant income	492	492	117	117
Total	**492**	**492**	**117**	**117**

5 Other Income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other Income Generating Activities	303	303	336	336
Miscellaneous income	21	21	70	70
Total	**324**	**324**	**406**	**406**

6 Investment income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Net Interest on defined pension liability	836	836	-	-
Other interest receivable	513	513	397	397
Total	**1,349**	**1,349**	**397**	**397**

7 Staff costs

The average number of persons (including key management personnel) employed during the year, described as average headcount, was:

	2024 Group No.	2024 College No.	2023 Group No.	2023 College No.
Teaching staff	171	171	184	184
Non-teaching staff	342	342	349	349
Total	**513**	**513**	**533**	**533**

7 Staff costs (continued)

Staff costs for the above persons	**2024 Group £'000**	**2024 College £'000**	**2023 Group £'000**	**2023 College £'000**
Wages and salaries	14,898	13,984	13,627	12,765
Social security costs	1,494	1,425	1,334	1,267
Other Pension Costs (including FRS102 pension charge for the year £652k, (2023: £950k) note 21	2,593	2,584	2,926	2,918
Payroll sub total	**18,985**	**17,993**	**17,887**	**16,950**
Contracted out staffing services	1,985	3,273	1,510	2,636
	20,970	**21,266**	**19,397**	**19,586**
Restructuring costs	12	12	27	27
Total Staff costs	**20,982**	**21,278**	**19,424**	**19,613**

The College operates a childcare voucher salary sacrifice scheme for all staff.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive Team which comprises the CEO and Executive Directors.

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

	2024 No.	**2023 No.**
The number of key management personnel including the Accounting Officer was:	**4**	**6**

7 Staff costs (continued)

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges, including the Accounting Officer was:

Group and College	**Key management personnel**		**Other Staff**	
	2024	**2023**	**2024**	**2023**
	No.	**No.**	**No.**	**No.**
£60,001 to £65,000	-	-	15	4
£65,001 to £70,000	-	-	3	1
£70,001 to £75,000	-	-	3	4
£75,001 to £80,000	-	-	4	4
£80,001 to £85,000	-	-	3	2
£90,001 to £95,000	-	1	-	-
£95,001 to £100,000	1	2	-	-
£100,001 to £110,000	1	1	-	-
£140,001 to £150,000	1	1	-	-
£190,001 to £200,000	1	1	-	-
Total	**4**	**6**	**28**	**15**

Including part time workers grossed up to full time equivalent the 2024 banding would include the following:

Within the analysis of Other Staff above, one employee would move from the £65,001 to £70,000 banding to the £80,001 to £85,000 banding.

Key management personnel (including the Accounting Officer) emoluments are made up as follows:

	2024	**2023**
	£'000	**£'000**
Salaries	560	549
Pension contributions	55	74
Total Emoluments	**615**	**623**

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

7 Staff costs (continued)

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

	2024	2023
	£'000	**£'000**
Salaries	200	200
Pension contributions	12	24
	212	**224**

The remuneration of the Accounting Officer for 2023/24 was considered on 23 November 2023 by the College's Search, Governance & Remuneration Committee. The Accounting Officer was not involved in setting their remuneration. The factors taken into account by the Committee in determining the Accounting Officer's remuneration for the year to 31 July 2024 included:

- the AoC senior postholder benchmarking survey;
- CPI;
- pay increases for other staff;
- performance against personal objectives and the performance of the organisation.

Despite the outstanding performance of the Accounting Officer, in view of the College's financial position, the Committee and Board resolved a nil pay increase.

A similar approach was used to determine the remuneration of other key management personnel.

The relationship between the Accounting Officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2024	2023
	No.	**No.**
Basic salary as a multiple of median basic salary of staff	5.19	5.42
Total remuneration as a multiple of median total remuneration of staff	5.08	5.90

Compensation for loss of office paid to former key management personnel:

	2024	2023
	£'000	**£'000**
Compensation paid to the former post-holder	-	8
	-	**8**

7 Staff costs (continued)

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

	2024	2023
	No.	No.
£1 to £25,000	6	2
	6	**2**

Included in staff restructuring costs are special severance payments totalling £3,244 (2023: £7,600).

Individually, the payments were: £3,244 (2023: £7,500 and £100).

Governors' remuneration

The Accounting Officer and the staff members only receive remuneration in respect of services they provide undertaking their roles of CEO and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the College in respect of their roles as governors. During the current year, governors were reimbursed £1,272 (2023: £104) for travel and subsistence and other out of pocket expenses.

8 Other operating expenses

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
Teaching costs	4,497	4,497	4,660	4,660
Non-teaching costs	3,959	3,663	3,255	3,066
Premises costs	4,005	4,005	4,152	4,152
Total	**12,461**	**12,165**	**12,067**	**11,878**

8 Other operating expenses (continued)

Deficit before taxation is stated after charging/ (crediting):	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Fees payable to external auditors in respect of both audit and non-audit fees (excluding VAT):				
Audit of college (and group)	63	63	56	56
Other assurance services	2	2	11	11
Other non-audit services	-	-	-	-
Internal audit	38	38	30	30
Hire of other assets – operating leases	20	20	57	57
Land and buildings - operating leases	0	0	591	591
	123	**123**	**745**	**745**

9 Interest and other finance costs - Group and College

	2024 £'000	2023 £'000
Interest on bank loans	-	71
Interest on other loans	707	420
Other Interest	6	-
Net interest on enhanced pension provision	43	35
Net interest on defined pension liability	-	39
Total	**756**	**565**

10 Taxation – Group and College

The College Group was not liable for any corporation tax arising out of its activities during either year.

11 Tangible fixed assets - Group and College

	Land & Buildings £'000	Equipment £'000	Assets in the course of Construction	Total £'000
Cost or valuation				
At 1 August 2023	86,676	6,615	226	93,517
Additions	1,060	21,858	-	2,918
Transfers	-	226	(226)	-
At 31 July 2024	**87,736**	**8,699**	**-**	**96,435**

11 Tangible fixed assets - Group and College (continued)

Depreciation				
At 1 August 2023	41,751	6,188	-	47,939
Charge for the year	1,128	452	-	1,580
At 31 July 2024	**42,879**	**6,640**	**-**	**49,519**
Net book value at 31 July 2024	**44,857**	**2,059**	**-**	**46,916**
Net book value at 31 July 2023	44,925	427	226	45,578

The land and buildings of Hammersmith and West London College were valued as at 31 July 1999 and the land and buildings of Ealing Tertiary College were valued as at 31 July 1997.

Both these valuations were made, by firms of independent chartered surveyors, at depreciated replacement cost. Currently the funding bodies do not require further property valuations to take place. Other tangible assets, inherited from the LEA at incorporation, have been valued by the College on a depreciated replacement cost basis. If the assets had not been re-valued they would have been included in the accounts at a net book value of £3.911m (2023: £4.251m).

The carrying value at 31 July 2024 of the land and buildings of for the College Group that provides the security for the DfE loan is £44.857m (2023: £44.925m).

The carrying value at 31 July 2024 of the land and buildings of the Hammersmith site that also provides security to the pension scheme (LPFA) is £27.705m (2023: £28.790m).

The subsidiary companies have no tangible fixed assets.

12 Intangible fixed assets – Group and College

	Software £'000
Cost	
At 1 August 2023	131
Additions	295
At 31 July 2024	**426**
Amortisation	
At 1 August 2023	17
Charge for year	38

At 31 July 2024	**55**
Net book value at 31 July 2024	**371**
Net book value at 31 July 2023	114

The amortisation charge is included within depreciation and amortisation in the Statement of Comprehensive Income and Expenditure.

13 Fixed asset Investments – College

	2024	**2023**
	£'000	**£'000**
Subsidiary undertakings	-	-
Total	**-**	**-**

The College owns 100 percent of the issued ordinary £1 shares of Capital Talent Box Limited, that was incorporated in England and Wales in February 2015, the date of incorporation being 4th February 2015. The principal activity of Capital Talent Box is employment agency services and it began trading again in September 2020.

The College also owns 100 per cent of West London College Limited which is a dormant company.

14 Debtors

	Group	**College**	**Group**	**College**
	2024	**2024**	**2023**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due within one year:				
Trade debtors	666	666	158	158
Other Debtors	1,136	1,137	261	261
Subsidiary undertakings	-	37	-	8
Prepayments and accrued income	372	331	1,394	1,356
Total	**2,174**	**2,171**	**1,813**	**1,783**

15 Creditors: amounts falling due within one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Loan from the DfE	451	451	-	-
Trade creditors	2,606	2,592	729	712
Amounts owed to subsidiary undertakings	-	14	-	-
Other taxation and social security	365	343	392	366
Accruals and deferred income	761	745	3,193	3,166
Amounts owed to ESFA	370	370	1,538	1,538
Other creditors	988	1,000	549	563
Holiday Pay Accrual	272	272	365	365
Government grants (capital)	556	556	704	704
Total	**6,369**	**6,343**	**7,470**	**7,414**

16 Creditors: amounts falling due after one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Loan from the DfE	13,196	13,196	13,647	13,647
Government grants (capital)	9,597	9,597	6,443	6,443
Total	**22,793**	**22,793**	**20,090**	**20,090**

17 Maturity of debt

(a) Bank loans, other loans and overdrafts

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

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
In one year or less	451	451	-	-
Between one and two years	618	618	510	510
Between two and five years	2,019	2,019	2,196	2,196
In five years or more	10,559	10,559	10,941	10,941
Total	**13,647**	**13,647**	**13,647**	**13,647**

17 Maturity of debt (continued)

The College took out a £6.0m unsecured loan with Barclays Bank in December 2006. Quarterly capital repayments with interest started on 1 December 2006 and were due to end on 2nd September 2024. A fixed interest rate of 6.28% was applicable to this loan which was renegotiated during the year ended 31 July 2016 to 8.28%. The loan was repaid in July 2023 and the balance of the bank loan at the year end was £NIL (2023: £NIL).

The College has a positive relationship with its bankers and continues to work closely with them. The College is able to demonstrate that it can continue to operate effectively.

The college Group also has a loan with the ESFA. The original loan of £11.6m was interest bearing and fully repayable on the 31st January 2023. In July 2022 the college signed a nine year loan agreement for £13.647m relating to the original balance of £11.6m and also including £2.047m in respect of ESFA funding also owed to the ESFA. The loan repayments are up to date with payment of the principal beginning in December 2024 and therefore as at 31 July 2024, the balance outstanding was £13.647m (2022/23: £13.647m). Interest is payable on this balance annually at a rate equal to the PWLB rate and the loan is repayable in quarterly instalments terminating in June 2031 where any residual balance will be repayable in full. The loan is secured on the freehold land and buildings of the college.

18 Provisions – Group and College

	Enhanced pensions	**Defined Benefit Obligations**	**Total**
	£'000	**£'000**	**£'000**
At 1 August 2023	874	-	874
Movement in the period	(63)	(185)	(248)
Actuarial loss	19	185	204
At 31 July 2024	**830**	**-**	**830**

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

The principal assumptions for this calculation are:	**2024**	**2023**
Price Inflation	2.80%	2.80%
Discount rate	4.80%	5.00%

19 Analysis of changes in net debt – Group and College

	At 31 July 2023 £'000	Cash Flows £'000	Other Movements £'000	At 31 July 2024 £'000
Cash and cash equivalents	11,271	(82)	-	11,189
	11,271	(82)	-	11,189
Amounts owed to funding bodies	(13,647)	-	-	(13,647)
Total net debt	**(2,376)**	**(82)**	**-**	**(2,458)**

20 Capital and other Commitments – Group and College

	2024 £'000	2023 £'000
Commitments contracted for as at 31July	-	295
	-	295

21 Retirement Benefits – Group and College

The College Group's employees belong to two principal retirement benefit plans: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Hammersmith and Fulham Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Pensions Fund Authority. Both are multi-employer defined benefit plans.

Total pension cost for the year	2024 £'000	2023 £'000
Teachers' Pension Scheme: contributions paid	1,594	1,340
Local Government Pension Scheme:		
Contributions paid	339	631
FRS 102 (28) charge	652	950
Charge to the Statement of Comprehensive Income	991	1,581
Other pension costs	-	5
Enhanced pension cost	-	-
Total Pension Cost for Year within staff costs	**2,585**	**2,926**

21 Retirement Benefits – Group and College (continued)

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 £0.201m (2022/23 - £0.157m) were payable to the schemes at 31 July and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Regulations. 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 pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out below the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

The actuarial valuation of the TPS which applied during the year ended 31 August 2023 was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion,

and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards. DfE paid a teacher pension employer contribution grant to cover the additional costs during the 2023-24 academic year.

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy). DfE have agreed to pay a Teachers' Pension Employer Contribution grant to cover the additional costs in the 2023-24 financial year.

The pension costs paid to TPS in the year amounted to £1.594m (2023: £1.340m).

21 Retirement Benefits – Group and College (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the Hammersmith & Fulham Local Authority. The total contributions made for the year ended 31 July 2024 were £0.746m (2023 - £0.995m), of which employer's contributions totalled £0.339m (2023 - £0.629m) and employees' contributions totalled £0.407m (2023 - £0.366m). The agreed contribution rates for future years are 5.8% for employers and range from 5.5% to 12.5% for employees, depending on salary. The college has provided the freehold land and buildings situated at the Ealing, Hammersmith and West London College campus as security to the pension scheme. The comfort provided by this security allows the pension fund to place a higher reliance on future investment returns, and therefore results in lower contributions being required from the College. The carrying value at 31 July 2024 of the Hammersmith campus land and buildings that provides the security for the LPFA is £27.705m (2023: £28.790m).

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2022 by a qualified independent actuary.

	At 31 July 2024	**At 31 July 2023**
Rate of increase in salaries	3.85%	3.85%
Future pensions increases	2.85%	2.55%
Discount rate for scheme liabilities	5.05%	5.15%

The actuarial valuation has been adjusted to allow for actual inflation experience to 31 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 Years	**At 31 July 2023** years
Retiring today		
Males	20.6	20.6
Females	23.7	23.7
Retiring in 20 years		
Males	21.3	21.3
Females	25.1	25.1

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

21 Retirement Benefits – Group and College (continued)

	Fair Value at 31 July 2024 £'000	Fair Value at 31 July 2023 £'000
Equity instruments	46,456	42,859
Target return portfolio	12,602	13,003
Infrastructure	8,275	9,113
Property	6,894	6,903
Cash	2,482	1,099
Total fair value of plan assets	**76,709**	**72,977**

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	76,709	72,977
Present value of plan liabilities	(59,549)	(56,450)
Present value of unfunded obligation	(14)	(15)
Adjustment to cap liability to £NIL	(17,146)	(16,512)
Net pensions (liability) (note 18)	-	-

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 service cost	990	1,581
Total	**990**	**1,581**
Amounts included in investment (income)/expenditure		
Net interest on the defined liability	(836)	39
Total	**(836)**	**39**
Amount recognised in other operating expenses		
Administration expenses	22	35
Total	**22**	**35**

21 Retirement Benefits – Group and College (continued)

	2024 £'000	2023 £'000
Net defined benefit obligation in scheme at 1 August 2023	72,977	71,537
Movement in year:		
Current service cost	990	1,581
Interest Cost	2,875	2,407
Change in demographic assumptions	(127)	(3,534)
Experience loss on defined benefit obligation	(298)	5,025
Change in financial assumptions	978	(19,062)
Capping pension asset to nil	634	16,512
Estimated benefits paid plus unfunded net of transfers in	(1,725)	(1,851)
Contributions by Scheme participants and other employers	407	364
Unfunded pension payments	(2)	(2)
Defined benefit obligation	**76,709**	**72,977**

Reconciliation of opening and closing balances of the fair value of fund assets

	2024 £'000	2023 £'000
Opening Fair Value of Fund assets	72,977	70,070
Interest on Assets	3,733	2,368
Return on assets less interest	1,002	(299)
Other actuarial gains	-	1,731
Administration expenses	(22)	(35)
Contributions by employer including unfunded	339	631
Contributions by scheme participants and other employers	407	364
Estimated benefits paid plus unfunded net of transfers in	(1,727)	(1,853)
Closing fair value of Fund Assets	**76,709**	**72,977**

21 Retirement Benefits – Group and College (continued)

The total return on the fund assets for the year to 31 July 2024 is £4.735m (2023 - £2.069m).

	Group 31 July 2024	Group 31 July 2023
	£'000	**£'000**
Present Value of defined benefit obligations	59,549	56,450
Fair value of plan assets	76,709	72,977
Net asset	17,160	16,527
Present value of unfunded obligation	(14)	(15)
Restriction to level of asset ceiling	(17,146)	(16,512)
Net asset recognised in the balance sheet	-	-

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

Amounts recognised in other gains and losses

	2024 £'000	2023 £'000
Return on Fund assets in excess of interest	1,002	(299)
Other actuarial gains/(losses) on assets	-	1,731
Change in financial assumptions	(978)	19,062
Change in demographic assumptions	127	3,534
Experience gain/(loss) on defined benefits obligation	298	(5,025)
Changes in effect of asset ceiling	(634)	(16,512)
Remeasurement of the net assets	**(185)**	**2,491**

22 Related party transactions

Key management compensation disclosure is given in note 7.

During the year, the College has been recharged expenditure relating to contracted out staffing costs of £1,287,893 (2023: £1,126,214) by Capital Talent Box, a subsidiary of the College. At the year end, the College owed Capital Talent Box Ltd £14,258 (2023: £0) and Capital Talent Box Ltd owed the college £36,795 (2023: £7,593).

23 Amounts disbursed as agent

Bursary Learner Support Fund	**2024 £'000**	**2023 £'000**
Funding body grants – bursary support	108	110
Funding body grants – discretionary learner support	196	198
Funding body grants – vulnerable learners	119	128
	422	436
Disbursed to students	(339)	(365)
Administration costs	(11)	(12)
Balance unspent as at 31 July, included in creditors	73	59

The above grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

Strategic Development Fund (SDF)	**2024 £'000**	**2023 £'000**
Revenue grant	-	635
Capital grant	-	962
	-	1,597
Disbursed to partners	-	(1,291)
Balance unspent as at 31 July, included in creditors	-	306

The above grants were available to partner colleges participating in the SDF project where the college was the lead partner. The college acted as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

Local Skills Improvement Fund (LSIF)	**2024 £'000**	**2023 £'000**
Revenue grant	173	-
Capital grant	147	-
	320	-
Disbursed to partners	(320)	-
Balance unspent as at 31 July, included in creditors	-	-

The above grants were available to partner colleges participating in the LSIF project where the college was the lead partner. The college acted as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

24 Post Balance Sheet Event

None

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE GOVERNING BODY OF EALING, HAMMERSMITH & WEST LONDON COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 December 2023 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Ealing, Hammersmith & West London College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Ealing, Hammersmith & West London College and the reporting accountant

The Governing Body of Ealing, Hammersmith & West London College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 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.

Independent Reporting Accountant's Report on Regularity (continued)

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the Governing Body'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 the areas identified through the risk assessment 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 that govern them.

Buzzacott LLP

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Date: 17 December 2024