

HEART OF BIRMINGHAM VOCATIONAL COLLEGE LTD

England & Wales · Charity number 1157785

Details

Other names	CALTHORPE VOCATIONAL TRUST
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Status	Registered
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Legal form	Charitable company
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Company number	09019610
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Registered	2014-07-08
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Register	View on the Charity Commission register
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Contact

Address	328-332 Bromford Lane Washwood Heath Birmingham B8 2SD
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Phone	01218090666
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Email	info@hbvc.ac.uk
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Website	www.hbvc.ac.uk
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Activities

Objects: 3.1 THE OBJECTS OF THE CHARITY ARE, FOR THE PUBLIC BENEFIT, IN THE UNITED KINGDOM: 3.1.1 ADVANCING EDUCATION, IN PARTICULAR BY DEVELOPING, MANAGING OR PROVIDING EDUCATION AND TRAINING TO YOUNG PEOPLE WITH SPECIAL EDUCATIONAL NEEDS, INCLUDING PUPILS OR FORMER PUPILS OF CALTHORPE SPECIALIST SPORTS COLLEGE IN BIRMINGHAM (OR ANY SUCCESSOR SCHOOL); 3.1.2 PROMOTING SOCIAL INCLUSION AMONGST PEOPLE WHO ARE SOCIALLY EXCLUDED BY PROVIDING THEM WITH OPPORTUNITIES FOR TRAINING, EMPLOYMENT OR SOCIAL INTERACTION, IN ORDER TO RELIEVE THEIR NEEDS OR ASSIST THEM TO INTEGRATE INTO SOCIETY. FOR THE PURPOSES OF THIS OBJECT, 'SOCIALLY EXCLUDED' MEANS PEOPLE WHO ARE EXCLUDED FROM SOCIETY, OR PARTS OF SOCIETY, AS A RESULT OF ONE OR MORE OF THE FOLLOWING FACTORS: SPECIAL EDUCATIONAL NEEDS, DISABILITY OR POOR EDUCATIONAL OR SKILLS ATTAINMENT; 3.1.3 ADVANCING HEALTH BY PROMOTING AND PROTECTING THE HEALTH, MORALE, CONFIDENCE, WELL-BEING, SKILLS AND ABILITIES OF PEOPLE WHO ARE DEEMED VULNERABLE; AND 3.1.4 PROMOTING FOR THE BENEFIT OF THE INHABITANTS OF BIRMINGHAM AND THE SURROUNDING AREA THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES OR FOR THE PUBLIC AT LARGE IN THE INTERESTS OF SOCIAL WELFARE AND WITH THE OBJECT OF IMPROVING THE CONDITION OF LIFE OF THE SAID INHABITANTS.

Activities: Heart of Birmingham Vocational College (previously Calthorpe Vocational Centre) launched in September 2014. It is a full time day provision that provides individualised learning experiences that develop key employability and supported living skills for students with moderate/severe SEN and ASD needs.

Classification

- **How:** Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities

Geography

- Birmingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£4,242,428	£4,069,296	£448,934	93
2024-07-31	£3,660,504	£3,517,574	£287,340	86
2023-08-31	£3,258,515	£3,422,347	£144,410	81
2022-08-31	£2,705,538	£2,972,557	£308,242	70
2021-08-31	£2,451,424	£2,204,944	£575,261	54

Trustees

Name	Role	Appointed
John Lawrence	Chair	2024-10-10
David Faulkner		2024-10-10

HEART OF BIRMINGHAM VOCATIONAL COLLEGE LTD

England & Wales - Charity number 1157785

Accounts

Annual report and financial statements

Company registration number 09019610 (England and Wales)

Charity registration number 1157785 (England and Wales)

Heart of Birmingham Vocational College
Annual report and financial statements
For the year ended 31 July 2025

Heart of Birmingham Vocational College

Legal and administrative information

Trustees	J Lawrence Mr D W Faulkner	
Country of incorporation	United Kingdom (England and Wales)	09019610
Charity registration	England and Wales	1157785
Registered office	328-332 Bromford Lane Washwood Heath Birmingham United Kingdom B8 2SD	
Auditor	DJH Audit Limited Church Court Stourbridge Road Halesowen West Midlands B63 3TT	

Heart of Birmingham Vocational College

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Heart of Birmingham Vocational College

Trustees' report (including director's report)

For the year ended 31 July 2025

The Trustees present their annual report and financial statements for the year ended 31 July 2025.

The previous accounting period was a period of 11 months to 31 August 2024. The comparative amounts provided in the accounts are therefore not entirely comparable.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

Public benefit

The Directors have considered the Charity Commission's requirement in respect of public benefit. In their view, the charity meets, in full, the criteria to satisfy the test. The Directors' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

Our mission

To provide an inspirational learning environment for person centred vocational education in a community-based setting, enabling learners to achieve exceptional outcomes.

Our vision

To empower our learners to prepare themselves for the next stage of their adult lives by providing them with transferrable skills that enable them to become purposeful independent individuals and to find their place in their community.

Our values

Openness - we use a simple, open and honest approach

Determination - we are determined to raise expectations and awareness, internally and externally

Excellence - we aim for excellence in all of our teaching and learning

Progress - we strive to develop the skills and knowledge of our learners and staff

Respect - we recognise the value of each individual by promoting equality and diversity for all

Empowerment - we empower our learners to meet their aspirations through learner led teaching and coaching

Heart of Birmingham Vocational College

Trustees' report (including director's report) (continued)

For the year ended 31 July 2025

OUR OBJECTIVES

The charity's objectives are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Directors may from time to time determine in particular but not exclusively by the provision of education.

- Promoting social inclusion amongst people who are socially excluded by providing them with opportunities for training, employment or social interaction, in order to relieve their need or assist them to integrate into society. For the purposes of this object, 'socially excluded' means people who are excluded from society, or parts of society, as a result of one or more of the following factors:
 - Special Educational needs
 - Disability
 - Poor Education
 - Poor skills attainment
- Advancing health by promoting and protecting the health, moral, confidence, well-being, skills and abilities for people who are deemed vulnerable; and
- Promoting for the benefit of the inhabitants of Birmingham and the surrounding area the provision of facilities by reason of their age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Significant activities

Student numbers

Our learner numbers have grown year on year since we were established in 2014:

2014/2015: 8 learners

2015/16: 28 learners

2016/2017: 39 learners

2017/2018: 52 learners

2018/2019: 63 learners

2019/2020: 72 learners

2020/2021: 82 learners

2021/2022: 108 learners

2022 /2023: 132 learners

2023 /2024: 144 learners

2024/2025: 145 learners

What we do:

Heart of Birmingham Vocational College (HBVC) is a specialist college for young people aged 16-25 with additional needs. We offer full-time study programmes and Supported Internships that provide individualised learning experiences, developing key employability and independent living skills for learners with mild, moderate, and severe learning disabilities and Autistic Spectrum Disorder needs. All students have an EHCP and are funded through the ESFA and their Local Authority.

Heart of Birmingham Vocational College

Trustees' report (including director's report) (continued)

For the year ended 31 July 2025

Achievements and performance

Significant activities and achievements against objectives

- The Leadership and Management of the college is strong. Governors, leaders, and managers have established a culture of high expectations and high levels of support for students and staff.
- The design, structure and sequencing of the curriculum is strong. Leaders have designed a curriculum that focuses on developing students' employability, personal development, and independence in preparation for adulthood.
- Curriculum planning is effective and includes successful collaboration with employers to develop the curriculum in vocational areas. The delivery of all teaching and learning activities fully supports all students to make good or better progress towards personalised outcomes.
- Leaders and teachers have established a highly effective relationship and sex education curriculum that builds on students' knowledge of healthy relationships, puberty, personal hygiene, consent, and grooming.
- Leaders have successfully created a calm, purposeful and respectful environment for students to learn in.
- The behaviour and attitudes of students are excellent. All staff have very high expectations for students and where there may be challenging behaviours, they are managed highly effectively through a collaborative and timely approach across staff teams. As a result, students demonstrate exceptional behaviours, and all students are highly engaged.
- Leaders have established highly effective support mechanisms for all students. These include very effective support from the Pastoral and Wellbeing team, impressive support for students to prepare for and whilst attending work placements, and an excellent transport service.
- Inspiring partnerships with employers lead to excellent employability opportunities for all students including workplace visits, workshops, and work placements. Students in work placements and supported internships access high-quality employer training that extends their understanding of key information relating to their roles and responsibilities.
- Safeguarding is highly effective and fully embedded into the ethos of the college. The DSL and leadership team are very responsive and proactive in responding to and actioning any safeguarding concerns.
- The management of finances is strong and ensures that the investment in resources and opportunities for students and staff are excellent.

Future plans

For the current academic year, 2025/2026, we will be going through a period of stabilising the college, financially.

We will consolidate and stabilise our activities at the expanded level of operations that has now been achieved. This will mean that costs are matched by income rather than running in front of income. Therefore, surpluses rather than deficits will be secured. In addition, the value of capital spending on facilities enhancements will be reduced because further major improvements will not be required. This will mean that the bank holding strengthens and the net current asset position improves to become positive.

Financial review

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the HBVC has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Heart of Birmingham Vocational College

Trustees' report (including director's report) (continued)

For the year ended 31 July 2025

Reserves policy

The trustees review the level of reserves held by the charity annually. This review encompasses the nature of income and expenditure streams, the need to match commitments and the nature of reserves. The trustees believe they need to have sufficient funds to allow them to meet obligations arising and to cover any future changes in the level of funding received from the ESFA or local authority. As at 31 July 2025 reserves totalled £48,041 comprising £433,971 unrestricted funds less £385,930 held as fixed assets (2024: £116,269 negative comprising £278,059 unrestricted funds less £394,328 held as fixed assets). Having carefully considered the expected income and expenditure of the college for the future, the trustees feel that no more than 10% of annual income should be retained as unrestricted funds at the period end. The trustees have reviewed the current level of reserves, which is below (2024: below) the 10% guideline. The trustees expect that developments in the new year will help the charity progress towards meeting the guideline.

Structure, governance and management

Governing document

The charity is controlled by its governing document, its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The Trustees of HBVC are also the Directors of the charitable company for the purposes of company law.

Members liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Lawrence

Mr D W Faulkner

Recruitment and appointment of trustees

Trustees are appointed in accordance with the articles of association of the Charity. Details of the trustees who served throughout the year and the registered office are included in the Reference and Administrative Details section of this report.

Subject to the articles of association, a Trustee appointed by the members shall hold office for a term of up to three years from the date of his or her appointment. One third (or the number nearest to one third) of the Trustee must retire each year, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

A Trustee may serve a maximum of three terms, of up to three years per term. A Trustee who has completed three continuous terms of service as a Trustee will not be eligible to be re-appointed as a Trustee until one year after his/her retirement. In this Article 'year' means the period between one AGM and the next.

Trustee inductions are individually tailored to meet the needs of each Trustee. External Trustee training is offered to all Trustees who are new to such a role covering topics such as duties of Trustees under company and charity law, governance and effective interpersonal relationships. Trustees who have previously undertaken Trustee training are invited to undertake a refresher course. Training needs will be assessed individually on an annual basis going forwards.

The Charity is governed by the Trustees who met for meetings during the year. Decisions are taken collectively with questions arising at meetings decided by a majority of votes. The Chair of Trustees has a second or casting vote in the event of an equality of votes.

Heart of Birmingham Vocational College

Trustees' report (including director's report) (continued)

For the year ended 31 July 2025

Organisational structure

The Directors determine the general policy of HBVC. The day to day running of HBVC is passed on to the Principal, supported by the Senior Leadership Team. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative, including financial, tasks and duties in consultation with the Senior Leadership Team. The Principal oversees the recruitment of all staff. The Principal attends Directors' meetings.

Other matters

Related parties

HBVC is a member of Natspec, which gives us the opportunity to share expertise, knowledge and experience, and seek advice and guidance across the Independent Specialist College sector.

Risk management

The Directors are responsible for the overseeing of the risks faced by the College. Detailed considerations of risk are delegated to the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, college safety, student welfare, employment, college trips and events and community access. The main risks that the Directors have identified and the plans to manage those risks are:

- Status - upholding our reputation as a good educational provider
- Finances - sufficient funds to allow the college to function
- Core curriculum - a holistic approach to a meaningful and challenging curriculum

Clerk to the Trustees

W Lamb

Principal

E Clark

Auditors

DJH Audit Limited
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Heart of Birmingham Vocational College
Trustees' report (including director's report) (continued)
For the year ended 31 July 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC
96 High Street
Kings Heath
Birmingham
B14 7LD

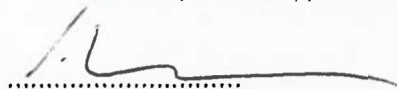
Insurance Brokers

MAIG Insurance
0121 704 8411

Website

www.hbvc.ac.uk

The Trustees' report was approved by the Board of Trustees.



J Lawrence

Trustee

Date: 26/03/26

Heart of Birmingham Vocational College Statement of trustees' responsibilities

For the year ended 31 July 2025

The Trustees, who are also the directors of Heart of Birmingham Vocational College for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Heart of Birmingham Vocational College

Independent auditor's report

To the Trustees of Heart of Birmingham Vocational College

Opinion

We have audited the financial statements of Heart of Birmingham Vocational College (the 'charitable company') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 Trustees' 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 charitable company'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Heart of Birmingham Vocational College

Independent auditor's report (continued)

To the Trustees of Heart of Birmingham Vocational College

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Heart of Birmingham Vocational College
Independent auditor's report (continued)

To the Trustees of Heart of Birmingham Vocational College

Mark Howell FCA (Senior Statutory Auditor)

For and on behalf of DJH Audit Limited, Statutory Auditor

Church Court

Stourbridge Road

Halesowen

West Midlands

B63 3TT

Date:

DJH Audit Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Heart of Birmingham Vocational College
Statement of financial activities
Including income and expenditure account

For the year ended 31 July 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income from:							
Donations and legacies	3	25,905	-	25,905	36,497	-	36,497
Charitable activities	4	4,212,850	3,673	4,216,523	3,614,482	9,525	3,624,007
Total income		<u>4,238,755</u>	<u>3,673</u>	<u>4,242,428</u>	<u>3,650,979</u>	<u>9,525</u>	<u>3,660,504</u>
Expenditure on:							
Charitable activities	5	4,063,234	6,062	4,069,296	3,511,407	3,600	3,515,007
Other expenditure	10	11,538	-	11,538	2,567	-	2,567
Total expenditure		<u>4,074,772</u>	<u>6,062</u>	<u>4,080,834</u>	<u>3,513,974</u>	<u>3,600</u>	<u>3,517,574</u>
Net income/(expenditure) and movement in funds		163,983	(2,389)	161,594	137,005	5,925	142,930
Reconciliation of funds:							
Fund balances at 1 August 2024		278,059	9,281	287,340	141,054	3,356	144,410
Fund balances at 31 July 2025		<u>442,042</u>	<u>6,892</u>	<u>448,934</u>	<u>278,059</u>	<u>9,281</u>	<u>287,340</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Heart of Birmingham Vocational College

Balance sheet

As at 31 July 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	12	385,930	394,328
Current assets			
Debtors	13	98,473	84,068
Cash at bank and in hand		229,121	58,293
		327,594	142,361
Creditors: amounts falling due within one year	14	(262,531)	(236,428)
Net current assets/(liabilities)		65,063	(94,067)
Total assets less current liabilities		450,993	300,261
Creditors: amounts falling due after more than one year	15	(2,059)	(12,921)
Net assets		448,934	287,340
The funds of the charitable company			
Restricted income funds	16	6,892	9,281
Unrestricted funds	17	442,042	278,059
		448,934	287,340

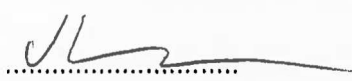
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2025.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26/05/26


J Lawrence
Trustee

Heart of Birmingham Vocational College

Statement of cash flows

For the year ended 31 July 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	22		224,029		101,099
Investing activities					
Purchase of tangible fixed assets		(64,798)		(133,280)	
Proceeds from disposal of tangible fixed assets		19,116		-	
Net cash used in investing activities			(45,682)		(133,280)
Financing activities					
Payment of finance leases obligations		(7,519)		(6,892)	
Net cash used in financing activities			(7,519)		(6,892)
Net increase/(decrease) in cash and cash equivalents			170,828		(39,073)
Cash and cash equivalents at beginning of year			58,293		97,366
Cash and cash equivalents at end of year			229,121		58,293

Heart of Birmingham Vocational College

Notes to the financial statements

For the year ended 31 July 2025

1 Accounting policies

Charity information

Heart of Birmingham Vocational College is a private company limited by guarantee incorporated in England and Wales. The registered office is 328-332 Bromford Lane, Washwood Heath, Birmingham, B8 2SD, United Kingdom.

1.1 Reporting period

In 2024 the reporting period was changed to end on 31 July for closer consistency with funders' years and consequently the comparatives in these financial statements are for a period of 11 months and so are not entirely comparable.

1.2 Basis of preparation

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.5 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5% on cost
Fixtures and fittings	20% on cost
Computers	20% on cost
Motor vehicles	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	25,556	31,649
Other	349	4,848
	<u>25,905</u>	<u>36,497</u>

4 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Education						
ESFA Income	1,872,901	-	1,872,901	1,526,121	-	1,526,121
Local Authority Income	1,960,600	-	1,960,600	1,849,638	-	1,849,638
Government departments	269,623	1,000	270,623	175,466	-	175,466
Other income	109,726	2,673	112,399	63,257	9,525	72,782
	<u>4,212,850</u>	<u>3,673</u>	<u>4,216,523</u>	<u>3,614,482</u>	<u>9,525</u>	<u>3,624,007</u>

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

5 Expenditure on charitable activities

	Education 2025 £	Education 2024 £
Direct costs		
Education	3,153,878	2,761,974
Share of support and governance costs (see note 6)		
Support	915,418	753,033
	<u>4,069,296</u>	<u>3,515,007</u>
Analysis by fund		
Unrestricted funds	4,063,234	3,511,407
Restricted funds	6,062	3,600
	<u>4,069,296</u>	<u>3,515,007</u>

6 Support costs allocated to activities

	2025 £	2024 £
Depreciation	62,549	52,551
General support cost	112,100	135,822
Repairs and renewals	-	14,054
Rent, rates and utilities	481,003	400,003
Insurance	16,318	15,713
Accountancy, legal and professional	7,444	22,422
IT expenditure	103,356	55,725
Motor expenses	2,996	-
Bank charges	119	154
Phone and mobile	19,080	15,489
Subscriptions and memberships	110,453	41,100
	<u>915,418</u>	<u>753,033</u>
Analysed between:		
Education	<u>915,418</u>	<u>753,033</u>

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

7 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	6,900	6,600
Depreciation of owned tangible fixed assets	62,549	52,551
Profit on disposal of tangible fixed assets	(8,468)	-

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

9 Employees

The average monthly number of employees during the year was:

2025	2024
Number	Number
87	86

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025	2024
	£	£
Aggregate compensation	226,571	218,231

10 Other expenditure

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Net loss on disposal of tangible fixed assets	(8,468)	-
Financing costs	2,800	2,567
Other expenditure	17,206	-
	11,538	2,567

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Leasehold Improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2024	301,742	118,995	81,044	97,554	599,335
Additions	-	12,554	1,391	50,853	64,798
Disposals	-	-	-	(22,915)	(22,915)
At 31 July 2025	301,742	131,549	82,435	125,492	641,218
Depreciation and impairment					
At 1 August 2024	41,508	46,077	61,614	55,807	205,006
Depreciation charged in the year	15,087	11,313	11,050	25,099	62,549
Eliminated in respect of disposals	-	-	-	(12,267)	(12,267)
At 31 July 2025	56,595	57,390	72,664	68,639	255,288
Carrying amount					
At 31 July 2025	245,147	74,159	9,771	56,853	385,930
At 31 July 2024	260,234	72,918	19,429	41,747	394,328

13 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	13,642	16,347
Other debtors	68,827	61,100
Prepayments and accrued income	16,004	6,621
	98,473	84,068

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

14 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Obligations under finance leases		10,861	7,518
Other taxation and social security		62,704	95,269
Trade creditors		55,972	89,683
Other creditors		20,265	37,358
Accruals and deferred income		112,729	6,600
		<u>262,531</u>	<u>236,428</u>

15 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Obligations under finance leases		<u>2,059</u>	<u>12,921</u>

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 August 2024 £	Incoming resources £	Resources expended £	At 31 July 2025 £
	-	-	(8,071)	(8,071)
Restricted funds	<u>9,281</u>	<u>3,673</u>	<u>2,009</u>	<u>14,963</u>
	<u>9,281</u>	<u>3,673</u>	<u>(6,062)</u>	<u>6,892</u>

Previous 11 months:

	At 1 August 2023 £	Incoming resources £	Resources expended £	At 31 July 2024 £
Restricted funds	<u>3,356</u>	<u>9,525</u>	<u>(3,600)</u>	<u>9,281</u>

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2024 £	Incoming resources £	Resources expended £	At 31 July 2025 £
General funds	278,059	4,238,755	(4,074,772)	442,042
Previous 11 months:	At 1 August 2023 £	Incoming resources £	Resources expended £	At 31 July 2024 £
General funds	141,054	3,650,979	(3,513,974)	278,059

18 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 July 2025:			
Tangible assets	385,930	-	385,930
Current assets/(liabilities)	58,171	6,892	65,063
Long term liabilities	(2,059)	-	(2,059)
	442,042	6,892	448,934
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 July 2024:			
Tangible assets	394,328	-	394,328
Current assets/(liabilities)	(103,348)	9,281	(94,067)
Long term liabilities	(12,921)	-	(12,921)
	278,059	9,281	287,340

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

19 Operating lease commitments

Lessee

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

The commitments are due in the following periods:

	2025 £	2024 £
Within one year	91,096	66,393
Between two and five years	181,318	199,016
	<u>272,414</u>	<u>265,409</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

21 Pension commitments

The charitable company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £19,032 were payable to the schemes at 31 July 2025 (2024: £36,950) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 27 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including 0.08% employer administration charge (currently 23.68%))

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

Due to the fact that only a minority of the charity's employees are in the Local Government Pension Scheme, no formal valuation of the scheme liability has been obtained for these financial statements. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The total contributions to defined benefit pension schemes recognised as an expense for the period ended 31 July 2025 were £247,814 (2024: £195,337).

Heart of Birmingham Vocational College

Notes to the financial statements (continued)

For the year ended 31 July 2025

22 Cash generated from operations

	2025 £	2024 £
Surplus for the year	161,593	142,931
Adjustments for:		
Gain on disposal of tangible fixed assets	(8,468)	-
Depreciation and impairment of tangible fixed assets	62,549	52,551
Movements in working capital:		
(Increase) in debtors	(14,405)	(29,978)
Increase/(decrease) in creditors	22,760	(64,405)
Cash generated from operations	<u>224,029</u>	<u>101,099</u>

23 Analysis of changes in net funds

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash at bank and in hand	58,293	170,828	229,121
Obligations under finance leases	(20,439)	7,519	(12,920)
	<u>37,854</u>	<u>178,347</u>	<u>216,201</u>

HEART OF BIRMINGHAM VOCATIONAL COLLEGE LTD

England & Wales - Charity number 1157785

Accounts

REGISTERED COMPANY NUMBER: 09019610 (England and Wales)
REGISTERED CHARITY NUMBER: 1157785

Audited Financial Statements
for the period
1 September 2023 to 31 July 2024

for

Heart of Birmingham Vocational College
Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Contents of the Financial Statements
for the period 1 September 2023 to 31 July 2024

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Report of the Trustees
for the period 1 September 2023 to 31 July 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 September 2023 to 31 July 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The accounting period has been shortened to make the accounts period consistent with that used by major providers of income. The comparative amounts provided in the accounts are therefore not entirely comparable. This change is permitted under company law.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our mission

To provide an inspirational learning environment for person centred vocational education in a community-based setting, enabling learners to achieve exceptional outcomes.

Our vision

To empower our learners to prepare themselves for the next stage of their adult lives by providing them with transferrable skills that enable them to become purposeful independent individuals and to find their place in their community.

Our values

Openness - we use a simple, open and honest approach

Determination - we are determined to raise expectations and awareness, internally and externally

Excellence - we aim for excellence in all of our teaching and learning

Progress - we strive to develop the skills and knowledge of our learners and staff

Respect - we recognise the value of each individual by promoting equality and diversity for all

Empowerment - we empower our learners to meet their aspirations through learner led teaching and coaching

OUR OBJECTIVES

The charity's objectives are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Directors may from time to time determine in particular but not exclusively by the provision of education.

- o Promoting social inclusion amongst people who are socially excluded by providing them with opportunities for training, employment or social interaction, in order to relieve their need or assist them to integrate into society. For the purposes of this object, 'socially excluded' means people who are excluded from society, or parts of society, as a result of one or more of the following factors:
 - o Special Educational needs
 - o Disability
 - o Poor Education
 - o Poor skills attainment
- o Advancing health by promoting and protecting the health, moral, confidence, well-being, skills and abilities for people who are deemed vulnerable; and
- o Promoting for the benefit of the inhabitants of Birmingham and the surrounding area the provision of facilities by reason of their age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

OBJECTIVES AND ACTIVITIES

Significant activities

Student numbers

Our learner numbers have grown year on year since we were established in 2014:

2014/2015: 8 learners
2015/16: 28 learners
2016/2017: 39 learners
2017/2018: 52 learners
2018/2019: 63 learners
2019/2020: 72 learners
2020/2021: 82 learners
2021/2022: 108 learners
2022 /2023: 132 learners
2023 /2024: 144 learners

What we do:

Heart of Birmingham Vocational College (HBVC) is a specialist college for young people aged 16-25 with additional needs. We offer full-time study programmes and Supported Internships that provide individualised learning experiences, developing key employability and independent living skills for learners with mild, moderate, and severe learning disabilities and Autistic Spectrum Disorder needs. All students have an EHCP and are funded through the ESFA and their Local Authority.

ACHIEVEMENT AND PERFORMANCE

- o The Leadership and Management of the college is strong. Governors, leaders, and managers have established a culture of high expectations and high levels of support for students and staff.
- o The design, structure and sequencing of the curriculum is strong. Leaders have designed a curriculum that focuses on developing students' employability, personal development, and independence in preparation for adulthood.
- o Curriculum planning is effective and includes successful collaboration with employers to develop the curriculum in vocational areas. The delivery of all teaching and learning activities fully supports all students to make good or better progress towards personalised outcomes.
- o Leaders and teachers have established a highly effective relationship and sex education curriculum that builds on students' knowledge of healthy relationships, puberty, personal hygiene, consent, and grooming.
- o Leaders have successfully created a calm, purposeful and respectful environment for students to learn in.
- o The behaviour and attitudes of students are excellent. All staff have very high expectations for students and where there may be challenging behaviours, they are managed highly effectively through a collaborative and timely approach across staff teams. As a result, students demonstrate exceptional behaviours, and all students are highly engaged.
- o Leaders have established highly effective support mechanisms for all students. These include very effective support from the Pastoral and Wellbeing team, impressive support for students to prepare for and whilst attending work placements, and an excellent transport service.
- o Inspiring partnerships with employers lead to excellent employability opportunities for all students including workplace visits, workshops, and work placements. Students in work placements and supported internships access high-quality employer training that extends their understanding of key information relating to their roles and responsibilities.
- o Safeguarding is highly effective and fully embedded into the ethos of the college. The DSL and leadership team are very responsive and proactive in responding to and actioning any safeguarding concerns
- o The management of finances is strong and ensures that the investment in resources and opportunities for students and staff are excellent.

FINANCIAL REVIEW

Our Finances

Most of the college's income is obtained from the ESFA or local authority. The charity does not carry out significant fundraising activities from the public. The use of these funds is not restricted to a particular purpose. During the period to 31 July 2024, the college received total income of £3,660,504 (2023: £3,258,515) and incurred total expenditure of £3,517,574 (2023: £3,422,347). The surplus of income against expenditure was £142,930 (2023: deficit of £163,832).

At 31 July 2024 the net book value of fixed assets was £394,328 (2023: £313,599) and movements in tangible fixed assets are shown in note 11 to the financial statements.

FINANCIAL REVIEW

Reserves policy

The trustees review the level of reserves held by the charity annually. This review encompasses the nature of income and expenditure streams, the need to match commitments and the nature of reserves. The trustees believe they need to have sufficient funds to allow them to meet obligations arising and to cover any future changes in the level of funding received from the ESFA or local authority. As at 31 July 2024 reserves totalled negative £116,269 comprising £278,059 unrestricted funds less £394,328 held as fixed assets (2023: £172,545 negative comprising £141,045 unrestricted funds less £313,599 held as fixed assets). Having carefully considered the expected income and expenditure of the college for the future, the trustees feel that no more than 10% of annual income should be retained as unrestricted funds at the period end. The trustees have reviewed the current level of reserves, which is below (2023: below) the 10% guideline. The trustees expect that developments in the new year will help the charity progress towards meeting the guideline.

A strong overview of the college's financial position has been crucial work for the directors and college leaders. Continuous monitoring of the college finances remains at the forefront for Directors and college leaders.

Investments

HBVC will be investing in ICT and online security throughout 2024/2025, this will include:

- o Security enhancements - Cyber Essentials Certification
- o SharePoint and cloud migration - data cleansing
- o Device investment

FUTURE PLANS

For the current academic year, 2024/2025, we will be going through a period of stabilising the college, financially.

We will consolidate and stabilise our activities at the expanded level of operations that has now been achieved. This will mean that costs are matched by income rather than running in front of income. Therefore, surpluses rather than deficits will be secured. In addition, the value of capital spending on facilities enhancements will be reduced because further major improvements will not be required. This will mean that the bank holding strengthens and the net current asset position improves to become positive.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The Trustees of HBVC are also the Directors of the charitable company for the purposes of company law.

Members liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

Trustees are appointed in accordance with the articles of association of the Charity. Details of the trustees who served throughout the year and the registered office are included in the Reference and Administrative Details section of this report.

Subject to the articles of association, a Trustee appointed by the members shall hold office for a term of up to three years from the date of his or her appointment. One third (or the number nearest to one third) of the Trustee must retire each year, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

A Trustee may serve a maximum of three terms, of up to three years per term. A Trustee who has completed three continuous terms of service as a Trustee will not be eligible to be re-appointed as a Trustee until one year after his/her retirement. In this Article 'year' means the period between one AGM and the next.

Trustee inductions are individually tailored to meet the needs of each Trustee. External Trustee training is offered to all Trustees who are new to such a role covering topics such as duties of Trustees under company and charity law, governance and effective interpersonal relationships. Trustees who have previously undertaken Trustee training are invited to undertake a refresher course. Training needs will be assessed individually on an annual basis going forwards.

The Charity is governed by the Trustees who met for meetings during the year. Decisions are taken collectively with questions arising at meetings decided by a majority of votes. The Chair of Trustees has a second or casting vote in the event of an equality of votes.

Financial

The Trustees give of their time freely, the pay and remuneration of the Principal and Senior Leadership Team is set by the Trustees and is kept under annual review.

Organisational structure

The Directors determine the general policy of HBVC. The day to day running of HBVC is passed on to the Principal, supported by the Senior Leadership Team. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative, including financial, tasks and duties in consultation with the Senior Leadership Team. The Principal oversees the recruitment of all staff. The Principal attends Directors' meetings.

Related parties

HBVC is a member of Natspec, which gives us the opportunity to share expertise, knowledge and experience, and seek advice and guidance across the Independent Specialist College sector.

Risk management

The Directors are responsible for the overseeing of the risks faced by the College. Detailed considerations of risk are delegated to the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, college safety, student welfare, employment, college trips and events and community access. The main risks that the Directors have identified and the plans to manage those risks are:

- o Status - upholding our reputation as a good educational provider
- o Finances - sufficient funds to allow the college to function
- o Core curriculum - a holistic approach to a meaningful and challenging curriculum

GOING CONCERN

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the HBVC has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's requirement in respect of public benefit. In their view, the charity meets, in full, the criteria to satisfy the test. The Directors' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

Heart of Birmingham Vocational College
Limited

Report of the Trustees
for the period 1 September 2023 to 31 July 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
09019610 (England and Wales)

Registered Charity number
1157785

Registered office
328-332 Bromford Lane
Washwood Heath
Birmingham
B8 2SD

Trustees
E A Morgan (resigned 3.10.24)
J Lawrence
R J Gowers (resigned 11.1.24)
Miss C E Hook
D W Faulkner

Clerk to the Trustees
W Lamb

Principal
E Clark

Auditors
Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Solicitors
Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Bankers
HSBC
96 High Street
Kings Heath
Birmingham
B14 7LD

Insurance Brokers
MAIG Insurance
0121 704 8411

Website
www.hbvc.ac.uk

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Heart of Birmingham Vocational College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Report of the Trustees
for the period 1 September 2023 to 31 July 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Nicklin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 10.10.25 and signed on its behalf by:


.....
J Lawrence - Trustee

Report of the Independent Auditors to the Trustees of
Heart of Birmingham Vocational College
Limited

Opinion

We have audited the financial statements of Heart of Birmingham Vocational College Limited (the 'charitable company') for the period ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud and error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we have identified having reviewed the company's procedures for complying with laws and regulations and whether they were aware of any instances of non-compliance. The key laws and regulations we considered in this context included the Companies Act 2006.

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud resulting in material misstatement in the financial statements. We considered that any such opportunities are mitigated by the fact that the company is under the close control of its directors.

Our procedures to arrive at this conclusion included the following:

- reviewing balance sheet control accounts to ensure properly reconciled;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring with management concerning actual and potential litigation claims.

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

Report of the Independent Auditors to the Trustees of
Heart of Birmingham Vocational College
Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicklin Audit Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date: 24th March 2025

Heart of Birmingham Vocational College
Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the period 1 September 2023 to 31 July 2024

				Period 1.9.23 to 31.7.24 Total funds £	Year Ended 31.8.23 Total funds £
	Notes	Unrestricted fund £	Restricted funds £		
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	36,497	-	36,497	46,898
Charitable activities	4				
Education		3,614,482	9,525	3,624,007	3,211,617
Total		<u>3,650,979</u>	<u>9,525</u>	<u>3,660,504</u>	<u>3,258,515</u>
EXPENDITURE ON					
Charitable activities	5				
Education		3,511,407	3,600	3,515,007	3,419,547
Other		2,567	-	2,567	2,800
Total		<u>3,513,974</u>	<u>3,600</u>	<u>3,517,574</u>	<u>3,422,347</u>
NET INCOME/(EXPENDITURE)		137,005	5,925	142,930	(163,832)
RECONCILIATION OF FUNDS					
Total funds brought forward		141,054	3,356	144,410	308,242
TOTAL FUNDS CARRIED FORWARD		<u>278,059</u>	<u>9,281</u>	<u>287,340</u>	<u>144,410</u>

The notes form part of these financial statements

Heart of Birmingham Vocational College
Limited

Balance Sheet
31 July 2024

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	11	394,328	-	394,328	313,599
CURRENT ASSETS					
Debtors	12	84,068	-	84,068	54,091
Cash at bank and in hand		49,012	9,281	58,293	97,366
		<u>133,080</u>	<u>9,281</u>	<u>142,361</u>	<u>151,457</u>
CREDITORS					
Amounts falling due within one year	13	(236,428)	-	(236,428)	(300,833)
NET CURRENT ASSETS		<u>(103,348)</u>	<u>9,281</u>	<u>(94,067)</u>	<u>(149,376)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		290,980	9,281	300,261	164,223
CREDITORS					
Amounts falling due after more than one year	14	(12,921)	-	(12,921)	(19,813)
NET ASSETS		<u>278,059</u>	<u>9,281</u>	<u>287,340</u>	<u>144,410</u>
FUNDS	17				
Unrestricted funds				278,059	141,054
Restricted funds				<u>9,281</u>	<u>3,356</u>
TOTAL FUNDS				<u>287,340</u>	<u>144,410</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 July 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

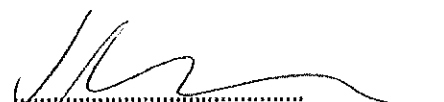
These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

Heart of Birmingham Vocational College
Limited

Balance Sheet - continued
31 July 2024

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10.10.25..... and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J Lawrence', written over a dotted line.

J Lawrence - Trustee

The notes form part of these financial statements

Heart of Birmingham Vocational College
Limited

Cash Flow Statement
for the period 1 September 2023 to 31 July 2024

	Notes	Period 1.9.23 to 31.7.24 £	Year Ended 31.8.23 £
Cash flows from operating activities			
Cash generated from operations	1	103,666	45,092
Interest element of hire purchase payments paid		<u>(2,567)</u>	<u>(2,800)</u>
Net cash provided by operating activities		<u>101,099</u>	<u>42,292</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(133,280)</u>	<u>(41,823)</u>
Net cash used in investing activities		<u>(133,280)</u>	<u>(41,823)</u>
Cash flows from financing activities			
Capital repayments in year		<u>(6,892)</u>	<u>(7,519)</u>
Net cash used in financing activities		<u>(6,892)</u>	<u>(7,519)</u>
Change in cash and cash equivalents in the reporting period		<u>(39,073)</u>	<u>(7,050)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>97,366</u>	<u>104,416</u>
Cash and cash equivalents at the end of the reporting period		<u><u>58,293</u></u>	<u><u>97,366</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the period 1 September 2023 to 31 July 2024

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Period 1.9.23 to 31.7.24 £	Year Ended 31.8.23 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	142,930	(163,832)
Adjustments for:		
Depreciation charges	52,551	57,338
Interest element of hire purchase and finance lease rental payments	2,567	2,800
(Increase)/decrease in debtors	(29,977)	18,258
(Decrease)/increase in creditors	(64,405)	130,528
Net cash provided by operations	<u>103,666</u>	<u>45,092</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.7.24 £
Net cash			
Cash at bank and in hand	<u>97,366</u>	<u>(39,073)</u>	<u>58,293</u>
	<u>97,366</u>	<u>(39,073)</u>	<u>58,293</u>
Debt			
Finance leases	<u>(27,331)</u>	<u>6,892</u>	<u>(20,439)</u>
	<u>(27,331)</u>	<u>6,892</u>	<u>(20,439)</u>
Total	<u>70,035</u>	<u>(32,181)</u>	<u>37,854</u>

The notes form part of these financial statements

1. CHARITABLE COMPANY INFORMATION

The Heart of Birmingham Vocational college Limited is a private limited charitable company limited by guarantee not having share capital, incorporated and domiciled in England and Wales. The registered office is 328-332 Bromford Lane, Washwood Heath, Birmingham, England, B8 2SD.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation and apportionment of costs

All costs are allocated between expenditure categories in the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the period 1 September 2023 to 31 July 2024

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme and the Local Government Pension Scheme. These are defined benefit schemes. As stated in Note 17 the Teachers' Pension Scheme is a multi-employer scheme and there is insufficient information to use defined benefit accounting. Only a minority of the charity's employees are in the Local Government Pension Scheme and consequently no formal valuation of the scheme liability has been obtained for these financial statements. Both schemes are therefore treated as defined contribution schemes for accounting purposes and the contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and trade creditors and loans from connected companies. These debt instruments are measured at the amount of the cash or other consideration expected to be received or paid.

Current asset investment

The current asset investment, being a freehold property awaiting sale, is recognised at the lower of its former depreciated cost and its net realizable value.

3. DONATIONS AND LEGACIES

	Period 1.9.23 to 31.7.24 £	Year Ended 31.8.23 £
Parental donations	31,649	37,268
Other income	4,848	9,630
	<u>36,497</u>	<u>46,898</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	Period 1.9.23 to 31.7.24 £	Year Ended 31.8.23 £
ESFA Income	Education	1,526,121	1,409,821
Local authority income	Education	1,792,798	1,587,525
Dept of Education	Education	143,616	111,208
Dept for Work & Pensions	Education	31,850	20,990
Solihull council	Education	25,633	18,639
Walsall council	Education	6,867	10,062
Worcestershire council	Education	20,601	13,734
Warwickshire council	Education	10,606	-
Windles income	Education	44,390	25,891
Internship support income	Education	12,000	-
Other restricted income	Education	9,525	13,747
		<u>3,624,007</u>	<u>3,211,617</u>

Notes to the Financial Statements - continued
for the period 1 September 2023 to 31 July 2024

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Education	<u>2,761,973</u>	<u>753,034</u>	<u>3,515,007</u>

6. SUPPORT COSTS

	Other £
Education	<u>753,034</u>

Support costs, included in the above, are as follows:

Other

	Period 1.9.23 to 31.7.24	Year Ended 31.8.23 Total activities
	£	£
Catering	64,429	65,551
Marketing	4,280	1,784
Rent and rates	372,820	332,354
Water rates	4,194	3,304
Waste collection	9,073	8,367
Cleaning	44,188	42,674
Gas & electricity	13,917	10,003
Office costs	15,789	17,437
Phone & mobile	15,489	16,629
Subscriptions & memberships	41,100	32,138
Legal & professional fees	13,570	22,263
Insurance	15,713	14,230
Auditors fee	8,853	10,714
Repairs & renewals	9,774	7,555
Health & safety	10,632	31,232
Bank charges & interest	154	162
Depreciation	52,551	57,338
IT expenditure	55,725	57,302
General expenses	783	-
	<u>753,034</u>	<u>731,037</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Period 1.9.23 to 31.7.24	Year Ended 31.8.23
	£	£
Depreciation - owned assets	52,551	57,338
Auditor's fees - statutory audit	<u>6,600</u>	<u>6,600</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 July 2024 nor for the year ended 31 August 2023.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31 July 2024 nor the year ended 31 August 2023.

9. STAFF COSTS

	Period 1.9.23 to 31.7.24 £	Year Ended 31.8.23 £
Wages and salaries	2,141,450	2,128,612
Social security costs	199,195	198,649
Other pension costs	195,337	191,642
	<u>2,535,982</u>	<u>2,518,903</u>

The average monthly number of employees during the period was as follows:

	Period 1.9.23 to 31.7.24 86	Year Ended 31.8.23 81
Total	<u>86</u>	<u>81</u>

One employee received emoluments in excess of £60,000, receiving emoluments between £70,000 & £80,000 (2023: One).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	46,898	-	46,898
Charitable activities			
Education	<u>3,179,975</u>	<u>31,642</u>	<u>3,211,617</u>
Total	<u>3,226,873</u>	<u>31,642</u>	<u>3,258,515</u>
EXPENDITURE ON			
Charitable activities			
Education	3,391,260	28,287	3,419,547
Other	<u>2,800</u>	<u>-</u>	<u>2,800</u>
Total	<u>3,394,060</u>	<u>28,287</u>	<u>3,422,347</u>
NET INCOME/(EXPENDITURE)	(167,187)	3,355	(163,832)
RECONCILIATION OF FUNDS			
Total funds brought forward	308,242	-	308,242

Notes to the Financial Statements - continued
for the period 1 September 2023 to 31 July 2024

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>141,055</u>	<u>3,355</u>	<u>144,410</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2023	213,613	74,981	97,554	79,905	466,053
Additions	88,129	44,014	-	1,137	133,280
At 31 July 2024	<u>301,742</u>	<u>118,995</u>	<u>97,554</u>	<u>81,042</u>	<u>599,333</u>
DEPRECIATION					
At 1 September 2023	27,678	38,007	37,922	48,847	152,454
Charge for year	13,830	8,069	17,885	12,767	52,551
At 31 July 2024	<u>41,508</u>	<u>46,076</u>	<u>55,807</u>	<u>61,614</u>	<u>205,005</u>
NET BOOK VALUE					
At 31 July 2024	<u>260,234</u>	<u>72,919</u>	<u>41,747</u>	<u>19,428</u>	<u>394,328</u>
At 31 August 2023	<u>185,935</u>	<u>36,974</u>	<u>59,632</u>	<u>31,058</u>	<u>313,599</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	16,347	-
Other debtors	61,100	44,699
Prepayments and accrued income	6,621	9,392
	<u>84,068</u>	<u>54,091</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Hire purchase (see note 15)	7,518	7,518
Trade creditors	89,683	53,305
Social security and other taxes	95,269	47,396
Other creditors	37,358	17,805
Accruals and deferred income	6,600	174,809
	<u>236,428</u>	<u>300,833</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £	2023 £
Hire purchase (see note 15)	<u>12,921</u>	<u>19,813</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2024 £	2023 £
Net obligations repayable:		
Within one year	7,518	7,518
Between one and five years	<u>12,921</u>	<u>19,813</u>
	<u>20,439</u>	<u>27,331</u>
	Non-cancellable operating leases	
	2024 £	2023 £
Within one year	66,393	43,393
Between one and five years	<u>199,016</u>	<u>74,016</u>
	<u>265,409</u>	<u>117,409</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2024 £	2023 £
Hire Purchase	<u>20,439</u>	<u>27,331</u>

17. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	At 31.7.24 £
Unrestricted funds			
General fund	141,054	137,005	278,059
Restricted funds			
Screwfix Foundation	2,346	(1,480)	866
NNS Seed Sensation	-	6,827	6,827
Food Legends	1,010	(947)	63
Co-op Community	-	1,525	1,525
	<u>3,356</u>	<u>5,925</u>	<u>9,281</u>
TOTAL FUNDS	<u>144,410</u>	<u>142,930</u>	<u>287,340</u>

Notes to the Financial Statements - continued
for the period 1 September 2023 to 31 July 2024

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,650,979	(3,513,974)	137,005
Restricted funds			
Windles Community Hub	500	(500)	-
Screwfix Foundation	-	(1,480)	(1,480)
NNS Seed Sensation	7,500	(673)	6,827
Food Legends	-	(947)	(947)
Co-op Community	1,525	-	1,525
	<u>9,525</u>	<u>(3,600)</u>	<u>5,925</u>
TOTAL FUNDS	<u>3,660,504</u>	<u>(3,517,574)</u>	<u>142,930</u>

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	308,242	(167,188)	141,054
Restricted funds			
Screwfix Foundation	-	2,346	2,346
Food Legends	-	1,010	1,010
	<u>-</u>	<u>3,356</u>	<u>3,356</u>
TOTAL FUNDS	<u>308,242</u>	<u>(163,832)</u>	<u>144,410</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,226,873	(3,394,061)	(167,188)
Restricted funds			
Windles Community Hub	17,895	(17,895)	-
Screwfix Foundation	4,400	(2,054)	2,346
NNS Seed Sensation	7,500	(7,500)	-
Food Legends	1,847	(837)	1,010
	<u>31,642</u>	<u>(28,286)</u>	<u>3,356</u>
TOTAL FUNDS	<u>3,258,515</u>	<u>(3,422,347)</u>	<u>(163,832)</u>

Windles Community Hub

17. MOVEMENT IN FUNDS - continued

Funding towards pilot of Windles Community Hub to allow young adults to access transferrable skills into adult life. Providing bespoke activities and experiences, and allowing them to explore the local community.

Screwfix Foundation

Re-fit and refurbish toilet block at Blackpit Lane allotments and make this accessible for our learners.

NNS Seed Foundation

To set up a working allotment at Blackpit Lane for our learners to access a Gardening Club for outdoor activities and community engagement. In association with Ward End Gardeners Association.

Food Legends

To build and maintain a fully inclusive, accessible allotment space on-site at their base at Edgbaston Priory Club (EPC).

18. RELATED PARTY DISCLOSURES

The key management personnel of the charity comprise the Trustees, the Principal and the Head of Student Services. The total employee benefits of the key management personnel of the charity were £218,231 (2023: £115,385).

19. PENSION COMMITMENTS

The charitable company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £36,950 were payable to the schemes at 31 July 2024 (2023: £16,660) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 27 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including 0.08% employer administration charge (currently 23.68%))

19. PENSION COMMITMENTS - continued

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

Due to the fact that only a minority of the charity's employees are in the Local Government Pension Scheme, no formal valuation of the scheme liability has been obtained for these financial statements. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The total contributions to defined benefit pension schemes recognised as an expense for the year ended 31 July 2024 were £195,337 (2023: £191,642).

Heart of Birmingham Vocational College
Limited

Detailed Statement of Financial Activities
for the period 1 September 2023 to 31 July 2024

	Period 1.9.23 to 31.7.24 £	Year Ended 31.8.23 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Parental donations	31,649	37,268
Other income	4,848	9,630
	<u>36,497</u>	<u>46,898</u>
Charitable activities		
ESFA income	1,526,121	1,409,821
Local authority income	1,792,798	1,587,525
Dept of Education	143,616	111,208
Dept for Work & Pensions	31,850	20,990
Solihull council	25,633	18,639
Walsall council	6,867	10,062
Worcestershire council	20,601	13,734
Warwickshire council	10,606	-
Windles income	44,390	25,891
Internship support income	12,000	-
Other restricted income	9,525	13,747
	<u>3,624,007</u>	<u>3,211,617</u>
Total incoming resources	3,660,504	3,258,515
EXPENDITURE		
Charitable activities		
Salary costs	2,141,450	2,128,612
Social security	199,195	198,649
Pensions	195,337	191,642
Agency staff	43,415	19,036
Goods	15,337	15,870
Transport activities	67,402	69,246
Staff training	22,308	15,799
Student support costs	35,085	49,656
Student internship support costs	42,444	-
	<u>2,761,973</u>	<u>2,688,510</u>
Other		
Hire purchase	2,567	2,800
Support costs		
Other		
Catering	64,429	65,551
Marketing	4,280	1,784
Rent and rates	372,820	332,354
Water rates	4,194	3,304
Carried forward	445,723	402,993

This page does not form part of the statutory financial statements

Heart of Birmingham Vocational College
Limited

Detailed Statement of Financial Activities
for the period 1 September 2023 to 31 July 2024

	Period 1.9.23 to 31.7.24 £	Year En ded 31.8.23 £
Other		
Brought forward	445,723	402,993
Waste collection	9,073	8,367
Cleaning	44,188	42,674
Gas & electricity	13,917	10,003
Office costs	15,789	17,437
Phone & mobile	15,489	16,629
Subscriptions & memberships	41,100	32,138
Legal & professional fees	13,570	22,263
Insurance	15,713	14,230
Auditors fee	8,853	10,714
Repairs & renewals	9,774	7,555
Health & safety	10,632	31,232
Bank charges & interest	154	162
Depreciation	52,551	57,338
IT expenditure	55,725	57,302
General expenses	783	-
	<u>753,034</u>	<u>731,037</u>
Total resources expended	<u>3,517,574</u>	<u>3,422,347</u>
Net Income/(expenditure)	<u>142,930</u>	<u>(163,832)</u>

HEART OF BIRMINGHAM VOCATIONAL COLLEGE LTD

England & Wales - Charity number 1157785

Accounts

REGISTERED COMPANY NUMBER: 09019610 (England and Wales)
REGISTERED CHARITY NUMBER: 1157785

Audited Financial Statements
for the year ended
31 August 2023

for

Heart of Birmingham Vocational College
Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Contents of the Financial Statements
for the year ended 31 August 2023

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our mission

To provide an inspirational learning environment for person centred vocational education in a community-based setting, enabling learners to achieve exceptional outcomes.

Our vision

To empower our learners to prepare themselves for the next stage of their adult lives by providing them with transferrable skills that enable them to become purposeful independent individuals and to find their place in their community.

Our values

Openness - we use a simple, open and honest approach

Determination - we are determined to raise expectations and awareness, internally and externally

Excellence - we aim for excellence in all of our teaching and learning

Progress - we strive to develop the skills and knowledge of our learners and staff

Respect - we recognise the value of each individual by promoting equality and diversity for all

Empowerment - we empower our learners to meet their aspirations through learner led teaching and coaching

OUR OBJECTIVES

The charity's objectives are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Directors may from time to time determine in particular but not exclusively by the provision of education.

o Promoting social inclusion amongst people who are socially excluded by providing them with opportunities for training, employment or social interaction, in order to relieve their need or assist them to integrate into society. For the purposes of this object, 'socially excluded' means people who are excluded from society, or parts of society, as a result of one or more of the following factors:

- o Special Educational needs
- o Disability
- o Poor Education
- o Poor skills attainment

o Advancing health by promoting and protecting the health, moral, confidence, well-being, skills and abilities for people who are deemed vulnerable; and

o Promoting for the benefit of the inhabitants of Birmingham and the surrounding area the provision of facilities by reason of their age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

OBJECTIVES AND ACTIVITIES

Significant activities

Student numbers

Our learner numbers have grown year on year since we were established in 2014:

2014/2015: 8 learners
2015/16: 28 learners
2016/2017: 39 learners
2017/2018: 52 learners
2018/2019: 63 learners
2019/2020: 72 learners
2020/2021: 82 learners
2021/2022: 108 learners
2022 /2023: 132 learners

What we do:

Our curriculum is delivered through practical sessions which are student led - learning through meaningful, realistic, hands-on activities that will equip our students for the future they want. All our students will be able to make important choices about their own learning and about the direction they want their life to go in.

Threaded through each individual programme is -

- o Continued support with functional skills - English, maths and ICT
- o Fully supported individual communication needs
- o Extensive support and clear strategies to assist with emotional development

ACHIEVEMENT AND PERFORMANCE

" Learners make good or better progress, gaining a clearer range of appropriate knowledge and benefit from a highly personalised curriculum.

" Excellent new curriculum model with a heavy emphasis on sequencing of learning topics following the Preparing for Adulthood framework

" Inspiring business partnerships leading to excellent work opportunities and paid employment for learners. The college is working with 16 varied providers, some of which include: Redditch Utd, HS2, John Lewis, Lendlease, Suited for success, Willmott Dixon, Kelr, Community Transport, John Taylor Hospice, McLaughlin and Harvey, Waitrose, Birmingham Education Partnership, Coffin Works Museum, The Edgbaston Priory Club, LP Wholesales, and Panel Croft Retirement Village.

" 100% of learners are accessing a meaningful work placement; 86% are on an external work placement and 14% are on an internal work placement.

" The Governing Body is now well-established, meets regularly and hold the leadership team to account very effectively by reviewing the quality of the college on a regular basis and challenging decisions made.

" Effective performance management ensures that under-performance is acted upon quickly. Regular SLT presence in sessions and constructive feedback links well to line management, appraisals, and training.

FINANCIAL REVIEW

Our Finances

Most of the college's income is obtained from the ESFA or local authority. The use of these funds is not restricted to a particular purpose. During the year to 31 August 2023, the college received total income of £3,258,515 (2022: £2,705,538) and incurred total expenditure of £3,422,347 (2022: £2,972,557). The deficit of income against expenditure was £163,832 (2022: £267,019).

At 31 August 2023 the net book value of fixed assets was £313,599 (2022: £329,114) and movements in tangible fixed assets are shown in note 11 to the financial statements.

FINANCIAL REVIEW

Reserves policy

The trustees review the level of reserves held by the charity annually. This review encompasses the nature of income and expenditure streams, the need to match commitments and the nature of reserves. The trustees believe they need to have sufficient funds to allow them to meet obligations arising and to cover any future changes in the level of funding received from the ESFA or local authority. As at 31 August 2023 reserves totalled negative £172,545 comprising £141,054 unrestricted funds less £313,599 held as fixed assets (2022: £20,872 negative comprising £308,242 unrestricted funds less £329,114 held as fixed assets). Having carefully considered the expected income and expenditure of the college for the future, the trustees feel that no more than 10% of annual income should be retained as unrestricted funds at the period end. The trustees have reviewed the current level of reserves, which is below (2022: below) the 10% guideline. The trustees expect that developments in the new year will help the charity progress towards meeting the guideline.

A strong overview of the college's financial position has been crucial work for the directors and college leaders. Continuous monitoring of the college finances remains at the forefront for Directors and college leaders.

Investments

Following the pandemic HBVC has moved to a Hub and Spoke model for the purpose of the premises we deliver our Study Programmes from.

We have established satellite premises at the following venues:

Redditch United Football Club - Sports and Education programme

Edgbaston Priory Club - Horticulture and Education Programme

HBVC has also launched a day provision at the Windles Community Hub based at our Bromford site. This is a social community hub for young people to access and we are currently piloting this provision with ex HBVC students.

FUTURE PLANS

We are liaising with two other satellite premises with a view to being in place by the summer term 2023:

The Dolphin Women's Centre - Catering and Education programme

Changing Lives Through Rugby CIC - Enterprise programme

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The Trustees of HBVC are also the Directors of the charitable company for the purposes of company law.

Members liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

Trustees are appointed in accordance with the articles of association of the Charity. Details of the trustees who served throughout the year and the registered office are included in the Reference and Administrative Details section of this report.

Subject to the articles of association, a Trustee appointed by the members shall hold office for a term of up to three years from the date of his or her appointment. One third (or the number nearest to one third) of the Trustee must retire each year, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

A Trustee may serve a maximum of three terms, of up to three years per term. A Trustee who has completed three continuous terms of service as a Trustee will not be eligible to be re-appointed as a Trustee until one year after his/her retirement. In this Article 'year' means the period between one AGM and the next.

Trustee inductions are individually tailored to meet the needs of each Trustee. External Trustee training is offered to all Trustees who are new to such a role covering topics such as duties of Trustees under company and charity law, governance and effective interpersonal relationships. Trustees who have previously undertaken Trustee training are invited to undertake a refresher course. Training needs will be assessed individually on an annual basis going forwards.

The Charity is governed by the Trustees who met for meetings during the year. Decisions are taken collectively with questions arising at meetings decided by a majority of votes. The Chair of Trustees has a second or casting vote in the event of an equality of votes.

Financial

The Trustees give of their time freely, the pay and remuneration of the Principal and Senior Leadership Team is set by the Trustees and is kept under annual review.

Organisational structure

The Directors determine the general policy of HBVC. The day to day running of HBVC is passed on to the Principal, supported by the Senior Leadership Team. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative, including financial, tasks and duties in consultation with the Senior Leadership Team.

The Principal oversees the recruitment of all staff. The Principal attends Directors' meetings.

Related parties

HBVC is a member of Natspec, which gives us the opportunity to share expertise, knowledge and experience, and seek advice and guidance across the Independent Specialist College sector.

Risk management

The Directors are responsible for the overseeing of the risks faced by the College. Detailed considerations of risk are delegated to the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, college safety, student welfare, employment, college trips and events and community access. The main risks that the Directors have identified and the plans to manage those risks are:

- o Status - upholding our reputation as a good educational provider
- o Finances - sufficient funds to allow the college to function
- o Core curriculum - a holistic approach to a meaningful and challenging curriculum

GOING CONCERN

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the HBVC has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's requirement in respect of public benefit. In their view, the charity meets, in full, the criteria to satisfy the test. The Directors' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09019610 (England and Wales)

Heart of Birmingham Vocational College
Limited

Report of the Trustees
for the year ended 31 August 2023

Registered Charity number
1157785

Registered office
328-332 Bromford Lane
Washwood Heath
Birmingham
B8 2SD

Trustees
E A Morgan
S M Griffiths (resigned 20.9.22)
J Lawrence
R J Gowers
Miss C E Hook

Clerk to the Trustees
W Lamb

Principal
E Clark

Auditors
Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Solicitors
Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Bankers
HSBC
96 High Street
Kings Heath
Birmingham
B14 7LD

Insurance Brokers
MAIG Insurance
0121 704 8411

Website
www.hbvc.ac.uk

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Heart of Birmingham Vocational College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Nicklin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ...02.1.05.....24..... and signed on its behalf by:


.....
J Lawrence - Trustee

Opinion

We have audited the financial statements of Heart of Birmingham Vocational College Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud and error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we have identified having reviewed the company's procedures for complying with laws and regulations and whether they were aware of any instances of non-compliance. The key laws and regulations we considered in this context included the Companies Act 2006.

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud resulting in material misstatement in the financial statements. We considered that any such opportunities are mitigated by the fact that the company is under the close control of its directors.

Our procedures to arrive at this conclusion included the following:

- reviewing balance sheet control accounts to ensure properly reconciled;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring with management concerning actual and potential litigation claims.

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

Report of the Independent Auditors to the Trustees of
Heart of Birmingham Vocational College
Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicklin Audit Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date: *10th May 2024*

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	54,894	-	54,894	44,397
Charitable activities	4				
Education		3,171,979	31,642	3,203,621	2,661,141
Total		<u>3,226,873</u>	<u>31,642</u>	<u>3,258,515</u>	<u>2,705,538</u>
EXPENDITURE ON					
Charitable activities	5				
Education		3,391,260	28,287	3,419,547	2,970,341
Other		2,800	-	2,800	2,216
Total		<u>3,394,060</u>	<u>28,287</u>	<u>3,422,347</u>	<u>2,972,557</u>
NET INCOME/(EXPENDITURE)		(167,187)	3,355	(163,832)	(267,019)
RECONCILIATION OF FUNDS					
Total funds brought forward		308,242	-	308,242	575,261
TOTAL FUNDS CARRIED FORWARD		<u>141,055</u>	<u>3,355</u>	<u>144,410</u>	<u>308,242</u>

The notes form part of these financial statements

Heart of Birmingham Vocational College
Limited

Balance Sheet
31 August 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	11	313,599	-	313,599	329,114
CURRENT ASSETS					
Debtors	12	54,091	-	54,091	72,349
Cash at bank		94,010	3,356	97,366	104,416
		148,101	3,356	151,457	176,765
CREDITORS					
Amounts falling due within one year	13	(300,833)	-	(300,833)	(170,305)
NET CURRENT ASSETS		(152,732)	3,356	(149,376)	6,460
TOTAL ASSETS LESS CURRENT LIABILITIES		160,867	3,356	164,223	335,574
CREDITORS					
Amounts falling due after more than one year	14	(19,813)	-	(19,813)	(27,332)
NET ASSETS		141,054	3,356	144,410	308,242
FUNDS	17				
Unrestricted funds				141,054	308,242
Restricted funds				3,356	-
TOTAL FUNDS				144,410	308,242

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 02.10.24 and were signed on its behalf by:


J Lawrence - Trustee

The notes form part of these financial statements

Cash Flow Statement
for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	45,092	(155,475)
Interest element of hire purchase payments paid		(2,800)	(2,216)
Net cash provided by/(used in) operating activities		<u>42,292</u>	<u>(157,691)</u>
Cash flows from Investing activities			
Purchase of tangible fixed assets		(41,823)	(199,563)
Net cash used in investing activities		<u>(41,823)</u>	<u>(199,563)</u>
Cash flows from financing activities			
Capital repayments in year		(7,519)	34,850
Net cash (used in)/provided by financing activities		<u>(7,519)</u>	<u>34,850</u>
Change in cash and cash equivalents in the reporting period		<u>(7,050)</u>	<u>(322,404)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>104,416</u>	<u>426,820</u>
Cash and cash equivalents at the end of the reporting period		<u><u>97,366</u></u>	<u><u>104,416</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(163,832)	(267,019)
Adjustments for:		
Depreciation charges	57,338	53,813
Interest element of hire purchase and finance lease rental payments	2,800	2,216
Decrease/(Increase) in debtors	18,258	(17,324)
Increase in creditors	130,528	72,839
Net cash provided by/(used in) operations	<u>45,092</u>	<u>(155,475)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank	<u>104,416</u>	<u>(7,050)</u>	<u>97,366</u>
	<u>104,416</u>	<u>(7,050)</u>	<u>97,366</u>
Debt			
Finance leases	<u>(34,850)</u>	<u>7,519</u>	<u>(27,331)</u>
	<u>(34,850)</u>	<u>7,519</u>	<u>(27,331)</u>
Total	<u>69,566</u>	<u>469</u>	<u>70,035</u>

1. CHARITABLE COMPANY INFORMATION

The Heart of Birmingham Vocational college Limited is a private limited charitable company limited by guarantee not having share capital, incorporated and domiciled in England and Wales. The registered office is 328-332 Bromford Lane, Washwood Heath, Birmingham, England, B8 2SD.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation and apportionment of costs

All costs are allocated between expenditure categories in the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme and the Local Government Pension Scheme. These are defined benefit schemes. As stated in Note 17 the Teachers' Pension Scheme is a multi-employer scheme and there is insufficient information to use defined benefit accounting. Only a minority of the charity's employees are in the Local Government Pension Scheme and consequently no formal valuation of the scheme liability has been obtained for these financial statements. Both schemes are therefore treated as defined contribution schemes for accounting purposes and the contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and trade creditors and loans from connected companies. These debt instruments are measured at the amount of the cash or other consideration expected to be received or paid.

Current asset investment

The current asset investment, being a freehold property awaiting sale, is recognised at the lower of its former depreciated cost and its net realizable value.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Parental donations	37,268	35,906
Other income	17,626	8,491
	<u>54,894</u>	<u>44,397</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
ESFA income	Education	1,409,821	1,063,755
Local authority income	Education	1,587,525	1,418,174
Dept of education	Education	111,208	118,476
Dept for work & pensions	Education	20,990	44,251
Solihull council	Education	18,639	10,735
Hereford Council	Education	-	5,750
Walsall council	Education	10,062	-
Worcestershire council	Education	13,734	-
Other restricted income	Education	31,642	-
		<u>3,203,621</u>	<u>2,661,141</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Education	<u>2,688,510</u>	<u>731,037</u>	<u>3,419,547</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2023

6. SUPPORT COSTS

	Other £
Education	<u>731,037</u>

Support costs, included in the above, are as follows:

Other

	2023	2022
	Education	Total activities
	£	£
Catering	65,551	52,340
Marketing	1,784	8,620
Rent and rates	332,354	247,624
Water rates	3,304	1,736
Waste collection	8,367	6,943
Cleaning	42,674	36,779
Gas & electricity	10,003	11,964
Office costs	17,437	19,894
Phone & mobile	16,629	13,691
Subscriptions & memberships	32,138	22,889
Legal & professional fees	22,263	16,019
Insurance	14,230	10,298
Auditors fee	10,714	14,837
Repairs & renewals	7,555	18,413
Health & safety	31,232	28,854
Bank charges & interest	162	149
Depreciation	57,338	53,814
IT expenditure	57,302	56,940
General expenses	-	553
	<u>731,037</u>	<u>622,357</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	57,338	53,813
Auditor's fees - statutory audit	<u>6,600</u>	<u>6,600</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

8. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2023 (2022: None).

9. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	2,128,612	1,749,535
Social security costs	198,649	155,143
Other pension costs	191,642	169,493
	<u>2,518,903</u>	<u>2,074,171</u>

The average monthly number of employees during the year was as follows:

	2023	2022
	81	70
Total	<u>81</u>	<u>70</u>

One employee received emoluments in excess of £60,000, receiving emoluments between £70,000 & £80,000 (2022: One).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	42,397	2,000	44,397
Charitable activities			
Education	2,661,141	-	2,661,141
Total	<u>2,703,538</u>	<u>2,000</u>	<u>2,705,538</u>
EXPENDITURE ON			
Charitable activities			
Education	2,968,341	2,000	2,970,341
Other	2,216	-	2,216
Total	<u>2,970,557</u>	<u>2,000</u>	<u>2,972,557</u>
NET INCOME/(EXPENDITURE)	(267,019)	-	(267,019)
RECONCILIATION OF FUNDS			
Total funds brought forward	575,261	-	575,261
TOTAL FUNDS CARRIED FORWARD	<u>308,242</u>	<u>-</u>	<u>308,242</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2022	192,238	71,085	92,054	68,853	424,230
Additions	21,375	3,896	5,500	11,052	41,823
At 31 August 2023	213,613	74,981	97,554	79,905	466,053
DEPRECIATION					
At 1 September 2022	16,997	24,562	18,411	35,146	95,116
Charge for year	10,681	13,445	19,511	13,701	57,338
At 31 August 2023	27,678	38,007	37,922	48,847	152,454
NET BOOK VALUE					
At 31 August 2023	185,935	36,974	59,632	31,058	313,599
At 31 August 2022	175,241	46,523	73,643	33,707	329,114

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	-	1,400
Other debtors	44,699	61,621
Prepayments and accrued income	9,392	9,328
	54,091	72,349

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Hire purchase (see note 15)	7,518	7,518
Trade creditors	53,305	50,545
Social security and other taxes	47,396	83,447
Other creditors	17,805	22,195
Accruals and deferred income	174,809	6,600
	300,833	170,305

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Hire purchase (see note 15)	19,813	27,332

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	7,518	7,518
Between one and five years	19,813	27,332
	<u>27,331</u>	<u>34,850</u>
	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	43,393	50,564
Between one and five years	74,016	110,016
	<u>117,409</u>	<u>160,580</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire Purchase	27,331	34,850

17. MOVEMENT IN FUNDS

	At 1.9.22	Net movement in funds	At 31.8.23
	£	£	£
Unrestricted funds			
General fund	308,242	(167,188)	141,054
Restricted funds			
Screwfix Foundation	-	2,346	2,346
Food Legends	-	1,010	1,010
	<u>-</u>	<u>3,356</u>	<u>3,356</u>
TOTAL FUNDS	<u>308,242</u>	<u>(163,832)</u>	<u>144,410</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2023

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,226,873	(3,394,061)	(167,188)
Restricted funds			
Windles Community Hub	17,895	(17,895)	-
Screwfix Foundation	4,400	(2,054)	2,346
NNS Seed Sensation	7,500	(7,500)	-
Food Legends	1,847	(837)	1,010
	<u>31,642</u>	<u>(28,286)</u>	<u>3,356</u>
TOTAL FUNDS	<u>3,258,515</u>	<u>(3,422,347)</u>	<u>(163,832)</u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	575,261	(267,019)	308,242
TOTAL FUNDS	<u>575,261</u>	<u>(267,019)</u>	<u>308,242</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,703,538	(2,970,557)	(267,019)
Restricted funds			
The Hargreaves Foundation	2,000	(2,000)	-
TOTAL FUNDS	<u>2,705,538</u>	<u>(2,972,557)</u>	<u>(267,019)</u>

Windles Community Hub

Funding towards plot of Windles Community Hub to allow young adults to access transferrable skills into adult life. Providing bespoke activities and experiences, and allowing them to explore the local community.

Screwfix Foundation

Re-fit and refurbish toilet block at Blackpit Lane allotments and make this accessible for our learners.

NNS Seed Foundation

To set up a working allotment at Blackpit Lane for our learners to access a Gardening Club for outdoor activities and community engagement. In association with Ward End Gardeners Association.

Food Legends

17. MOVEMENT IN FUNDS - continued

To build and maintain a fully inclusive, accessible allotment space on-site at their base at Edgbaston Priory Club (EPC).

18. RELATED PARTY DISCLOSURES

The key management personnel of the charity comprise the Trustees, the Principal and the Head of Student Services. The total employee benefits of the key management personnel of the charity were £115,385 (2022: £109,846).

19. PENSION COMMITMENTS

The charitable company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £16,660 were payable to the schemes at 31 August 2023 (2022: £20,597) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 27 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including 0.08% employer administration charge (currently 23.68%))

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

19. PENSION COMMITMENTS - continued

Due to the fact that only a minority of the charity's employees are in the Local Government Pension Scheme, no formal valuation of the scheme liability has been obtained for these financial statements. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The total contributions to defined benefit pension schemes recognised as an expense for the year ended 31 August 2023 were £191,642 (2022: £169,493).

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Parental donations	37,268	35,906
Other Income	17,626	8,491
	<u>54,894</u>	<u>44,397</u>
Charitable activities		
ESFA income	1,409,821	1,063,755
Local authority income	1,587,525	1,418,174
Dept of education	111,208	118,476
Dept for work & pensions	20,990	44,251
Solihull council	18,639	10,735
Hereford Council	-	5,750
Walsall council	10,062	-
Worcestershire council	13,734	-
Other restricted income	31,642	-
	<u>3,203,621</u>	<u>2,661,141</u>
Total incoming resources	3,258,515	2,705,538
EXPENDITURE		
Charitable activities		
Salary costs	2,128,612	1,749,535
Social security	198,649	155,143
Pensions	191,642	169,493
Agency staff	19,036	58,137
Goods	15,870	12,299
Transport activities	69,246	81,019
Staff training	15,799	30,595
Student support costs	49,656	91,763
	<u>2,688,510</u>	<u>2,347,984</u>
Other		
Hire purchase	2,800	2,216
Support costs		
Other		
Catering	65,551	52,340
Marketing	1,784	8,620
Rent and rates	332,354	247,624
Water rates	3,304	1,736
Waste collection	8,367	6,943
Cleaning	42,674	36,779
Gas & electricity	10,003	11,964
Office costs	17,437	19,894
Phone & mobile	16,629	13,691
Subscriptions & memberships	32,138	22,889
Carried forward	530,241	422,480

Heart of Birmingham Vocational College
Limited

Detailed Statement of Financial Activities
for the year ended 31 August 2023

	2023 £	2022 £
Other		
Brought forward	530,241	422,480
Legal & professional fees	22,263	16,019
Insurance	14,230	10,298
Auditors fee	10,714	14,837
Repairs & renewals	7,555	18,413
Health & safety	31,232	28,854
Bank charges & interest	162	149
Depreciation	57,338	53,814
IT expenditure	57,302	56,940
General expenses	-	553
	731,037	622,357
Total resources expended	3,422,347	2,972,557
Net expenditure	(163,832)	(267,019)

This page does not form part of the statutory financial statements

HEART OF BIRMINGHAM VOCATIONAL COLLEGE LTD

England & Wales - Charity number 1157785

Accounts

REGISTERED COMPANY NUMBER: 09019610 (England and Wales)
REGISTERED CHARITY NUMBER: 1157785

Audited Financial Statements
for the year ended
31 August 2022

for

Heart of Birmingham Vocational College
Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Contents of the Financial Statements
for the year ended 31 August 2022

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our mission

To provide an inspirational learning environment for person centred vocational education in a community-based setting, enabling learners to achieve exceptional outcomes.

Our vision

To empower our learners to prepare themselves for the next stage of their adult lives by providing them with transferrable skills that enable them to become purposeful independent individuals and to find their place in their community.

Our values

Openness - we use a simple, open and honest approach

Determination - we are determined to raise expectations and awareness, internally and externally

Excellence - we aim for excellence in all of our teaching and learning

Progress - we strive to develop the skills and knowledge of our learners and staff

Respect - we recognise the value of each individual by promoting equality and diversity for all

Empowerment - we empower our learners to meet their aspirations through learner led teaching and coaching

OUR OBJECTIVES

The charity's objectives are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Directors may from time to time determine in particular but not exclusively by the provision of education.

o Promoting social inclusion amongst people who are socially excluded by providing them with opportunities for training, employment or social interaction, in order to relieve their need or assist them to integrate into society. For the purposes of this object, 'socially excluded' means people who are excluded from society, or parts of society, as a result of one or more of the following factors:

- o Special Educational needs
- o Disability
- o Poor Education
- o Poor skills attainment

o Advancing health by promoting and protecting the health, moral, confidence, well-being, skills and abilities for people who are deemed vulnerable; and

o Promoting for the benefit of the inhabitants of Birmingham and the surrounding area the provision of facilities by reason of their age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

OBJECTIVES AND ACTIVITIES

Significant activities

Student numbers

Our learner numbers have grown year on year since we were established in 2014:

2014/2015: 8 learners

2015/16: 28 learners

2016/2017: 39 learners

2017/2018: 52 learners

2018/2019: 63 learners

2019/2020: 72 learners

2020/2021: 82 learners

2021/2022: 108 learners

What we do:

Our curriculum is delivered through practical sessions which are student led - learning through meaningful, realistic, hands-on activities that will equip our students for the future they want. All our students will be able to make important choices about their own learning and about the direction they want their life to go in.

Threaded through each individual programme is -

- o Continued support with functional skills - English, maths and ICT
- o Fully supported individual communication needs
- o Extensive support and clear strategies to assist with emotional development

ACHIEVEMENT AND PERFORMANCE

" Learners make good or better progress, gaining a clearer range of appropriate knowledge and benefit from a highly personalised curriculum.

" Excellent new curriculum model with a heavy emphasis on sequencing of learning topics following the Preparing for Adulthood framework

" Inspiring business partnerships leading to excellent work opportunities and paid employment for learners. The college is working with 16 varied providers, some of which include: Redditch Utd, HS2, John Lewis, Lendlease, Suited for success, Willmott Dixon, Keir, Community Transport, John Taylor Hospice, McLaughlin and Harvey, Waitrose, Birmingham Education Partnership, Coffin Works Museum, The Edgbaston Priory Club, LP Wholesales, and Panel Croft Retirement Village.

" 100% of learners are accessing a meaningful work placement; 86% are on an external work placement and 14% are on an internal work placement.

" The Governing Body is now well-established, meets regularly and hold the leadership team to account very effectively by reviewing the quality of the college on a regular basis and challenging decisions made.

" Effective performance management ensures that under-performance is acted upon quickly. Regular SLT presence in sessions and constructive feedback links well to line management, appraisals, and training.

FINANCIAL REVIEW

Our Finances

Most of the college's income is obtained from the EFSA or local authority. The use of these funds is not restricted to a particular purpose. During the year to 31 August 2022, the college received total income of £2,705,538 (2021: £2,451,424) and incurred total expenditure of £2,972,557 (2021: £2,204,944). The deficit of income against expenditure was £267,019 (2021: £246,480 surplus).

At 31 August 2022 the net book value of fixed assets was £329,114 (2021: £183,364) and movements in tangible fixed assets are shown in note 12 to the financial statements.

Reserves policy

The trustees review the level of reserves held by the charity annually. This review encompasses the nature of income and expenditure streams, the need to match commitments and the nature of reserves. The trustees believe they need to have sufficient funds to allow them to meet obligations arising and to cover any future changes in the level of funding received from the EFSA or local authority. As at 31 August 2022 reserves totalled negative £20,872 comprising £308,242 unrestricted funds less £329,114 held as fixed assets (2021: £391,897 comprising £575,261 unrestricted funds less £183,364 held as fixed assets). Having carefully considered the expected income and expenditure of the college for the future, the trustees feel that no more than 10% of annual income should be retained as unrestricted funds at the period end. The trustees have reviewed the current level of reserves, which is below (2021: above) the 10% guideline. The trustees expect that developments in the new year will help the charity progress towards meeting the guideline.

FINANCIAL REVIEW

A strong overview of the college's financial position has been crucial work for the directors and college leaders. Continuous monitoring of the college finances remains at the forefront for Directors and college leaders.

Investments

Following the pandemic HBVC has moved to a Hub and Spoke model for the purpose of the premises we deliver our Study Programmes from.

We have established satellite premises at the following venues:

Redditch United Football Club - Sports and Education programme
Edgbaston Priory Club - Horticulture and Education Programme

HBVC has also launched a day provision at the Windles Community Hub based at our Bromford site. This is a social community hub for young people to access and we are currently piloting this provision with ex HBVC students.

FUTURE PLANS

We are liaising with two other satellite premises with a view to being in place by the summer term 2023:

The Dolphin Women's Centre - Catering and Education programme
Changing Lives Through Rugby CIC - Enterprise programme

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The Trustees of HBVC are also the Directors of the charitable company for the purposes of company law.

Members liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Trustees

Trustees are appointed in accordance with the articles of association of the Charity. Details of the trustees who served throughout the year and the registered office are included in the Reference and Administrative Details section of this report.

Subject to the articles of association, a Trustee appointed by the members shall hold office for a term of up to three years from the date of his or her appointment. One third (or the number nearest to one third) of the Trustee must retire each year, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

A Trustee may serve a maximum of three terms, of up to three years per term. A Trustee who has completed three continuous terms of service as a Trustee will not be eligible to be re-appointed as a Trustee until one year after his/her retirement. In this Article 'year' means the period between one AGM and the next.

Trustee inductions are individually tailored to meet the needs of each Trustee. External Trustee training is offered to all Trustees who are new to such a role covering topics such as duties of Trustees under company and charity law, governance and effective interpersonal relationships. Trustees who have previously undertaken Trustee training are invited to undertake a refresher course. Training needs will be assessed individually on an annual basis going forwards.

The Charity is governed by the Trustees who met for meetings during the year. Decisions are taken collectively with questions arising at meetings decided by a majority of votes. The Chair of Trustees has a second or casting vote in the event of an equality of votes.

Financial

The Trustees give of their time freely, the pay and remuneration of the Principal and Senior Leadership Team is set by the Trustees and is kept under annual review.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Directors determine the general policy of HBVC. The day to day running of HBVC is passed on to the Principal, supported by the Senior Leadership Team. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative, including financial, tasks and duties in consultation with the Senior Leadership Team. The Principal oversees the recruitment of all staff. The Principal attends Directors' meetings.

Related parties

HBVC is a member of Natspec, which gives us the opportunity to share expertise, knowledge and experience, and seek advice and guidance across the Independent Specialist College sector.

Risk management

The Directors are responsible for the overseeing of the risks faced by the College. Detailed considerations of risk are delegated to the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, college safety, student welfare, employment, college trips and events and community access. The main risks that the Directors have identified and the plans to manage those risks are:

- o Status - upholding our reputation as a good educational provider
- o Finances - sufficient funds to allow the college to function
- o Core curriculum - a holistic approach to a meaningful and challenging curriculum

GOING CONCERN

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the HBVC has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's requirement in respect of public benefit. In their view, the charity meets, in full, the criteria to satisfy the test. The Directors' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09019610 (England and Wales)

Registered Charity number

1157785

Registered office

328-332 Bromford Lane
Washwood Heath
Birmingham
B8 2SD

Trustees

E A Morgan
S M Griffiths (resigned 20.9.22)
J Lawrence
R J Gowers
Miss C E Hook

Clerk to the Trustees

W Lamb

Principal

E Clark

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Bankers

HSBC
96 High Street
Kings Heath
Birmingham
B14 7LD

Insurance Brokers

MAIG Insurance
0121 704 8411

Website

www.hbvc.ac.uk

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Heart of Birmingham Vocational College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Nicklin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Heart of Birmingham Vocational College
Limited

Report of the Trustees
for the year ended 31 August 2022

Approved by order of the board of trustees on 21/04/23 and signed on its behalf by:



.....
J Lawrence - Trustee

Opinion

We have audited the financial statements of Heart of Birmingham Vocational College Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud and error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we have identified having reviewed the company's procedures for complying with laws and regulations and whether they were aware of any instances of non-compliance. The key laws and regulations we considered in this context included the Companies Act 2006.

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud resulting in material misstatement in the financial statements. We considered that any such opportunities are mitigated by the fact that the company is under the close control of its directors.

Our procedures to arrive at this conclusion included the following:

- reviewing balance sheet control accounts to ensure properly reconciled;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring with management concerning actual and potential litigation claims.

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

Report of the Independent Auditors to the Trustees of
Heart of Birmingham Vocational College
Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicklin Audit Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date: *25th April 2023*

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	42,397	2,000	44,397	28,257
Charitable activities	5				
Education		2,661,141	-	2,661,141	2,258,043
Investment income	4	-	-	-	165,124
Total		<u>2,703,538</u>	<u>2,000</u>	<u>2,705,538</u>	<u>2,451,424</u>
EXPENDITURE ON					
Charitable activities	6				
Education		2,968,341	2,000	2,970,341	2,204,944
Other		2,216	-	2,216	-
Total		<u>2,970,557</u>	<u>2,000</u>	<u>2,972,557</u>	<u>2,204,944</u>
NET INCOME/(EXPENDITURE)		(267,019)	-	(267,019)	246,480
RECONCILIATION OF FUNDS					
Total funds brought forward		575,261	-	575,261	328,781
TOTAL FUNDS CARRIED FORWARD		<u><u>308,242</u></u>	<u><u>-</u></u>	<u><u>308,242</u></u>	<u><u>575,261</u></u>

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	329,114	-	329,114	183,364
CURRENT ASSETS					
Debtors	13	72,349	-	72,349	55,025
Cash at bank		104,416	-	104,416	426,820
		<u>176,765</u>	<u>-</u>	<u>176,765</u>	<u>481,845</u>
CREDITORS					
Amounts falling due within one year	14	(170,305)	-	(170,305)	(89,948)
		<u>6,460</u>	<u>-</u>	<u>6,460</u>	<u>391,897</u>
NET CURRENT ASSETS					
		335,574	-	335,574	575,261
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	15	(27,332)	-	(27,332)	-
		<u>308,242</u>	<u>-</u>	<u>308,242</u>	<u>575,261</u>
NET ASSETS					
FUNDS	18				
Unrestricted funds				308,242	575,261
TOTAL FUNDS				<u>308,242</u>	<u>575,261</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2022.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

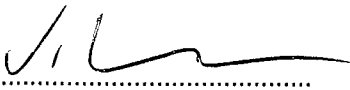
The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21.10.22 and were signed on its behalf by:


J Lawrence - Trustee

Heart of Birmingham Vocational College
Limited

Cash Flow Statement
for the year ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(155,475)	275,595
Interest element of hire purchase payments paid		(2,216)	-
Net cash (used in)/provided by operating activities		(157,691)	275,595
Cash flows from investing activities			
Purchase of tangible fixed assets		(199,563)	(184,531)
Sale of tangible fixed assets		-	291,212
Net cash (used in)/provided by investing activities		(199,563)	106,681
Cash flows from financing activities			
Capital repayments in year		34,850	-
Net cash provided by financing activities		34,850	-
Change in cash and cash equivalents in the reporting period		(322,404)	382,276
Cash and cash equivalents at the beginning of the reporting period		426,820	44,544
Cash and cash equivalents at the end of the reporting period		104,416	426,820

The notes form part of these financial statements

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(267,019)	246,480
Adjustments for:		
Depreciation charges	53,813	22,780
Interest element of hire purchase and finance lease rental payments	2,216	-
Increase in debtors	(17,324)	(18,429)
Increase in creditors	72,839	24,764
Net cash (used in)/provided by operations	<u>(155,475)</u>	<u>275,595</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank	426,820	(322,404)	104,416
	<u>426,820</u>	<u>(322,404)</u>	<u>104,416</u>
Debt			
Finance leases	-	(34,850)	(34,850)
	<u>-</u>	<u>(34,850)</u>	<u>(34,850)</u>
Total	<u>426,820</u>	<u>(357,254)</u>	<u>69,566</u>

1. CHARITABLE COMPANY INFORMATION

The Heart of Birmingham Vocational college Limited is a private limited charitable company limited by guarantee not having share capital, incorporated and domiciled in England and Wales. The registered office is 19a Cato Street, Nechells, Birmingham, B7 4TS.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation and apportionment of costs

All costs are allocated between expenditure categories in the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the year ended 31 August 2022

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme and the Local Government Pension Scheme. These are defined benefit schemes. As stated in Note 17 the Teachers' Pension Scheme is a multi-employer scheme and there is insufficient information to use defined benefit accounting. Only a minority of the charity's employees are in the Local Government Pension Scheme and consequently no formal valuation of the scheme liability has been obtained for these financial statements. Both schemes are therefore treated as defined contribution schemes for accounting purposes and the contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and trade creditors and loans from connected companies. These debt instruments are measured at the amount of the cash or other consideration expected to be received or paid.

Current asset investment

The current asset investment, being a freehold property awaiting sale, is recognised at the lower of its former depreciated cost and its net realizable value.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Parental donations	35,906	19,470
Other income	8,491	8,787
	<u>44,397</u>	<u>28,257</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Surplus on sale of assets	-	165,124
	<u>-</u>	<u>165,124</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
ESFA income	Education	1,063,755	964,616
Local authority income	Education	1,418,174	1,138,358
Dept of education	Education	118,476	140,003
Dept for work & pensions	Education	44,251	1,806
Coventry council	Education	-	5,750
Solihull council	Education	10,735	7,510
Hereford Council	Education	5,750	-
		<u>2,661,141</u>	<u>2,258,043</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Education	2,347,984	622,357	2,970,341

7. SUPPORT COSTS

	Other £
Education	622,357

Support costs, included in the above, are as follows:

Other

	2022 Education £	2021 Total activities £
Catering	52,340	27,643
Marketing	8,620	-
Rent and rates	247,624	183,935
Water rates	1,736	2,400
Waste collection	6,943	2,628
Cleaning	36,779	31,184
Gas & electricity	11,964	9,474
Office costs	19,894	12,050
Phone & mobile	13,691	13,621
Subscriptions & memberships	22,889	23,042
Legal & professional fees	16,019	28,509
Insurance	10,298	8,319
Auditors fee	14,837	7,476
Repairs & renewals	18,413	25,189
Health & safety	28,854	33,366
Bank charges & interest	149	83
Depreciation	53,814	22,780
IT expenditure	56,940	54,655
General expenses	553	6,958
Website costs	-	2,838
	622,357	496,150

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	53,813	22,780
Auditor's fees - statutory audit	6,600	6,600

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 (2021: None).

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	1,749,535	1,324,096
Social security costs	155,143	109,739
Other pension costs	169,493	120,773
	<u>2,074,171</u>	<u>1,554,608</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Total	<u>70</u>	<u>54</u>

One employee received emoluments in excess of £60,000 (2021: One).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	28,257
Charitable activities	
Education	2,258,043
Investment income	165,124
Total	<u>2,451,424</u>
EXPENDITURE ON	
Charitable activities	
Education	<u>2,204,944</u>
NET INCOME	246,480
RECONCILIATION OF FUNDS	
Total funds brought forward	328,781
TOTAL FUNDS CARRIED FORWARD	<u>575,261</u>

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2021	147,691	21,551	-	55,425	224,667
Additions	44,547	49,534	92,054	13,428	199,563
At 31 August 2022	192,238	71,085	92,054	68,853	424,230
DEPRECIATION					
At 1 September 2021	7,385	10,873	-	23,045	41,303
Charge for year	9,612	13,689	18,411	12,101	53,813
At 31 August 2022	16,997	24,562	18,411	35,146	95,116
NET BOOK VALUE					
At 31 August 2022	175,241	46,523	73,643	33,707	329,114
At 31 August 2021	140,306	10,678	-	32,380	183,364

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,400	-
Other debtors	61,621	46,967
Prepayments and accrued income	9,328	8,058
	72,349	55,025

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Hire purchase (see note 16)	7,518	-
Trade creditors	50,545	27,899
Social security and other taxes	83,447	32,240
Other creditors	22,195	15,070
Accrued expenses	6,600	14,739
	170,305	89,948

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Hire purchase (see note 16)	27,332	-

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022 £	2021 £
Net obligations repayable:		
Within one year	7,518	-
Between one and five years	27,332	-
	34,850	-
	Non-cancellable operating leases	
	2022 £	2021 £
Within one year	50,564	43,582
Between one and five years	110,016	160,580
	160,580	204,162

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Hire Purchase	34,850	-

18. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	575,261	(267,019)	308,242
TOTAL FUNDS	575,261	(267,019)	308,242

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,703,538	(2,970,557)	(267,019)
Restricted funds			
The Hargreaves Foundation	2,000	(2,000)	-
TOTAL FUNDS	<u>2,705,538</u>	<u>(2,972,557)</u>	<u>(267,019)</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	328,781	246,480	575,261
TOTAL FUNDS	<u>328,781</u>	<u>246,480</u>	<u>575,261</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,451,424	(2,204,944)	246,480
TOTAL FUNDS	<u>2,451,424</u>	<u>(2,204,944)</u>	<u>246,480</u>

19. RELATED PARTY DISCLOSURES

The key management personnel of the charity comprise the Trustees, the Principal and the Head of Student Services. The total employee benefits of the key management personnel of the charity were £109,846 (2021: £107,123).

20. PENSION COMMITMENTS

The charitable company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £14,285 were payable to the schemes at 31 August 2021 (2020: £12,354) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

20. PENSION COMMITMENTS - continued

Due to the fact that only a minority of the charity's employees are in the Local Government Pension Scheme, no formal valuation of the scheme liability has been obtained for these financial statements. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The total contributions to defined benefit pension schemes recognised as an expense for the year ended 31 August 22 were £169,493 (2021: £120,773).

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Parental donations	35,906	19,470
Other income	8,491	8,787
	<u>44,397</u>	<u>28,257</u>
Investment income		
Surplus on sale of assets	-	165,124
Charitable activities		
ESFA income	1,063,755	964,616
Local authority income	1,418,174	1,138,358
Dept of education	118,476	140,003
Dept for work & pensions	44,251	1,806
Coventry council	-	5,750
Solihull council	10,735	7,510
Hereford Council	5,750	-
	<u>2,661,141</u>	<u>2,258,043</u>
Total incoming resources	<u>2,705,538</u>	<u>2,451,424</u>
EXPENDITURE		
Charitable activities		
Salary costs	1,749,535	1,324,096
Social security	155,143	109,739
Pensions	169,493	120,773
Agency staff	58,137	22,173
Goods	12,299	3,076
Transport activities	81,019	41,651
Staff training	30,595	44,404
Student support costs	91,763	42,882
	<u>2,347,984</u>	<u>1,708,794</u>
Other		
Hire purchase	2,216	-
Support costs		
Other		
Catering	52,340	27,643
Marketing	8,620	-
Rent and rates	247,624	183,935
Water rates	1,736	2,400
Waste collection	6,943	2,628
Cleaning	36,779	31,184
Gas & electricity	11,964	9,474
Office costs	19,894	12,050
Phone & mobile	13,691	13,621
Carried forward	399,591	282,935

Heart of Birmingham Vocational College
Limited

Detailed Statement of Financial Activities
for the year ended 31 August 2022

	2022 £	2021 £
Other		
Brought forward	399,591	282,935
Subscriptions & memberships	22,889	23,042
Legal & professional fees	16,019	28,509
Insurance	10,298	8,319
Auditors fee	14,837	7,476
Repairs & renewals	18,413	25,189
Health & safety	28,854	33,366
Bank charges & interest	149	83
Depreciation	53,814	22,780
IT expenditure	56,940	54,655
General expenses	553	6,958
Website costs	-	2,838
	<u>622,357</u>	<u>496,150</u>
Total resources expended	<u>2,972,557</u>	<u>2,204,944</u>
Net (expenditure)/income	<u>(267,019)</u>	<u>246,480</u>

HEART OF BIRMINGHAM VOCATIONAL COLLEGE LTD

England & Wales - Charity number 1157785

Accounts

Audited Financial Statements
for the year ended
31 August 2021

for

Heart of Birmingham Vocational College
Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Contents of the Financial Statements
for the year ended 31 August 2021

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Detailed Statement of Financial Activities	23 to 24

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our mission

To provide an inspirational learning environment for person centred vocational education in a community-based setting, enabling learners to achieve exceptional outcomes.

Our vision

To empower our learners to prepare themselves for the next stage of their adult lives by providing them with transferrable skills that enable them to become purposeful independent individuals and to find their place in their community.

Our values

Openness - we use a simple, open and honest approach

Determination - we are determined to raise expectations and awareness, internally and externally

Excellence - we aim for excellence in all of our teaching and learning

Progress - we strive to develop the skills and knowledge of our learners and staff

Respect - we recognise the value of each individual by promoting equality and diversity for all

Empowerment - we empower our learners to meet their aspirations through learner led teaching and coaching

OUR OBJECTIVES

The charity's objectives are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Directors may from time to time determine in particular but not exclusively by the provision of education.

o Promoting social inclusion amongst people who are socially excluded by providing them with opportunities for training, employment or social interaction, in order to relieve their need or assist them to integrate into society. For the purposes of this object, 'socially excluded' means people who are excluded from society, or parts of society, as a result of one or more of the following factors:

- o Special Educational needs
- o Disability
- o Poor Education
- o Poor skills attainment

o Advancing health by promoting and protecting the health, moral, confidence, well-being, skills and abilities for people who are deemed vulnerable; and

o Promoting for the benefit of the inhabitants of Birmingham and the surrounding area the provision of facilities by reason of their age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

OBJECTIVES AND ACTIVITIES

Significant activities

Student numbers

Our learner numbers have grown year on year since we were established in 2014:

2014/2015: 8 learners

2015/16: 28 learners

2016/2017: 39 learners

2017/2018: 52 learners

2018/2019: 63 learners

2019/2020: 72 learners

2020/2021: 82 learners

What we do:

Our curriculum is delivered through practical sessions which are student led - learning through meaningful, realistic, hands-on activities that will equip our students for the future they want. All our students will be able to make important choices about their own learning and about the direction they want their life to go in.

Threaded through each individual programme is -

- o Continued support with functional skills - English, maths and ICT
- o Fully supported individual communication needs
- o Extensive support and clear strategies to assist with emotional development

ACHIEVEMENT AND PERFORMANCE

Inspiring business partnerships leading to good work opportunities and paid employment for students led by our Employability Manager and team.

Excellent community employability and enrichment programmes with partners, including Birmingham and Black Country Wildlife Trust, The Priory Tennis Club, Midland Mencap Bike Riding, Can-do Project/John Lewis, People in Partnership and The Football Association.

Expansion of our Supported Internship programme leading to students securing paid and voluntary employment.

Establishing positive links with feeder schools in the wider community, and across Local Authorities, including Coventry and Solihull.

The overall effectiveness of the college is good. A highly effective quality improvement plan is used across the organisation.

During 2020/2021 college leaders and directors responded to the challenging external factors of a global pandemic, our whole way of working changed overnight.

The leadership team and directors decided that on the 19th of March 2020 the college would close until further notice and move to a remote learning offer. A plan and timetable were created for all staff to follow to ensure a high level of service was still provided.

- o Weekly teaching and learning packs were developed and sent home to each student, consisting of tasks that enable students to continue their learning journey towards their outcomes. Each pack has been individualised further using feedback from parents and students in weekly welfare calls home. Tutors sent home both paper-based packs and E-learning packs.

- o Recognising student achievement from home, a work from home email account was created and has been used as a platform for recording student achievements from home. Student achievement and general wellbeing is discussed with students and parents in weekly phone calls home.

- o The recovery curriculum was developed, to allow students the time needed to transition back into the college environment. The recovery curriculum equipped students with the skills and qualities needed to adapt to the long-term impact covid-19 had on their mental wellbeing, whilst embedding new routines around new procedures HBVC have in place upon our return.

College lunches or vouchers were delivered throughout the lockdown to all eligible students.

Our therapists continued to deliver their services to staff and students.

Speech and Language Therapist (SALT) providing advice, guidance and training to staff and further support to enhance communication with students whilst lockdown was taking place, and our college counsellor continued regular meetings/phone calls with students and staff to support their mental wellbeing.

The management team carried out weekly welfare calls to all students and parents/carers and fortnightly to all staff.

Regular management meetings were in place to discuss and plan for a variety of issues from implementing new risk assessments to planning deep cleans and ordering health and safety material in preparation for our return to college.

FINANCIAL REVIEW

Our Finances

Most of the college's income is obtained from the EFSA or local authority. The use of these funds is not restricted to a particular purpose. During the year to 31 August 2021, the college received total income of £2,286,300 (2020: £1,744,934) and incurred total expenditure of £2,039,820 (2020: £1,735,383). The surplus of income against expenditure was £246,480 (2020: £9,551).

At 31 August 2021 the net book value of fixed assets was £183,364 (2020: £49,325) and movements in tangible fixed assets are shown in note 12 to the financial statements.

FINANCIAL REVIEW

Reserves policy

The trustees review the level of reserves held by the charity annually. This review encompasses the nature of income and expenditure streams, the need to match commitments and the nature of reserves. The trustees believe they need to have sufficient funds to allow them to meet obligations arising and to cover any future changes in the level of funding received from the EFSA or local authority. As at 31 August 2021 reserves totalled £391,897 comprising £575,261 unrestricted funds less £183,364 held as fixed assets (2020: £279,456 comprising £328,781 unrestricted funds less £49,325 held as fixed assets). Having carefully considered the expected income and expenditure of the college for the future, the trustees feel that no more than 10% of annual income should be retained as unrestricted funds at the period end. The trustees have reviewed the current level of reserves, which is above (2020: above) the 10% guideline. The trustees expect that developments in the new year will help the charity progress towards meeting the guideline.

A strong overview of the college's financial position has been crucial work for the directors and college leaders. Continuous monitoring of the college finances remains at the forefront for Directors and college leaders.

Investments

The initial HBVC premises has been sold due to us out growing the building - the leadership team and directors are exploring an additional satellite premises which will compliment our Bromford site and enhance our offer to students.

FUTURE PLANS

Senior Leaders and Directors intend to continue their current strategies of maintaining the college's position in a competitive market by investing to provide high quality education for our students.

The Principal, senior leaders and staff continue to review the curriculum to ensure that the programmes remain appropriate for our students' development.

Our development plans will be financed primarily from the ESFA and Birmingham City Council, and monies from the sale of our original premises.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The Trustees of HBVC are also the Directors of the charitable company for the purposes of company law.

Members liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees

Trustees are appointed in accordance with the articles of association of the Charity. Details of the trustees who served throughout the year and the registered office are included in the Reference and Administrative Details section of this report.

Subject to the articles of association, a Trustee appointed by the members shall hold office for a term of up to three years from the date of his or her appointment. One third (or the number nearest to one third) of the Trustee must retire each year, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

A Trustee may serve a maximum of three terms, of up to three years per term. A Trustee who has completed three continuous terms of service as a Trustee will not be eligible to be re-appointed as a Trustee until one year after his/her retirement. In this Article 'year' means the period between one AGM and the next.

Trustee inductions are individually tailored to meet the needs of each Trustee. External Trustee training is offered to all Trustees who are new to such a role covering topics such as duties of Trustees under company and charity law, governance and effective interpersonal relationships. Trustees who have previously undertaken Trustee training are invited to undertake a refresher course. Training needs will be assessed individually on an annual basis going forwards.

The Charity is governed by the Trustees who met for meetings during the year. Decisions are taken collectively with questions arising at meetings decided by a majority of votes. The Chair of Trustees has a second or casting vote in the event of an equality of votes.

Financial

The Trustees give of their time freely, the pay and remuneration of the Principal and Senior Leadership Team is set by the Trustees and is kept under annual review.

Organisational structure

The Directors determine the general policy of HBVC. The day to day running of HBVC is passed on to the Principal, supported by the Senior Leadership Team. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative, including financial, tasks and duties in consultation with the Senior Leadership Team. The Principal oversees the recruitment of all staff. The Principal attends Directors' meetings.

Related parties

HBVC is a member of Natspec, which gives us the opportunity to share expertise, knowledge and experience, and seek advice and guidance across the Independent Specialist College sector.

Risk management

The Directors are responsible for the overseeing of the risks faced by the College. Detailed considerations of risk are delegated to the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, college safety, student welfare, employment, college trips and events and community access. The main risks that the Directors have identified and the plans to manage those risks are:

- o Status - upholding our reputation as a good educational provider
- o Finances - sufficient funds to allow the college to function
- o Core curriculum - a holistic approach to a meaningful and challenging curriculum

GOING CONCERN

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the HBVC has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's requirement in respect of public benefit. In their view, the charity meets, in full, the criteria to satisfy the test. The Directors' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09019610 (England and Wales)

Heart of Birmingham Vocational College
Limited

Report of the Trustees
for the year ended 31 August 2021

Registered Charity number
1157785

Registered office
328-332 Bromford Lane
Washwood Heath
Birmingham
B8 2SD

Trustees
E A Morgan
S M Griffiths
J Lawrence
R J Gowers
Miss C E Hook (appointed 20.4.21)

Clerk to the Trustees
W Lamb

Principal
E Clark

Auditors
Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Solicitors
Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Bankers
HSBC
96 High Street
Kings Heath
Birmingham
B14 7LD

Insurance Brokers
MAIG Insurance
0121 704 8411

Website
www.hbvc.ac.uk

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Heart of Birmingham Vocational College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

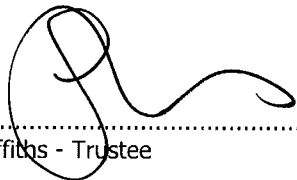
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Nicklin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 18/05/2022..... and signed on its behalf by:



.....
S M Griffiths - Trustee

Opinion

We have audited the financial statements of Heart of Birmingham Vocational College Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud and error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we have identified having reviewed the company's procedures for complying with laws and regulations and whether they were aware of any instances of non-compliance. The key laws and regulations we considered in this context included the Charities Act 2011.

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud resulting in material misstatement in the financial statements. We considered that any such opportunities are mitigated by the fact that the company is under the close control of its directors.

Our procedures to arrive at this conclusion included the following:

- reviewing balance sheet control accounts to ensure properly reconciled;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring with management concerning actual and potential litigation claims.

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

Report of the Independent Auditors to the Trustees of
Heart of Birmingham Vocational College
Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicklin Audit Limited

Nicklin Audit Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date: *23rd May 2022*

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	28,257	48,623
Charitable activities	5		
Education		2,258,043	1,696,311
Investment income	4	165,124	-
Total		<u>2,451,424</u>	<u>1,744,934</u>
EXPENDITURE ON			
Charitable activities	6		
Education		2,204,944	1,735,383
NET INCOME		<u>246,480</u>	<u>9,551</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		328,781	319,230
TOTAL FUNDS CARRIED FORWARD		<u><u>575,261</u></u>	<u><u>328,781</u></u>

	Notes	2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS			
Tangible assets	12	183,364	49,325
CURRENT ASSETS			
Debtors	13	55,025	36,596
Investments	14	-	263,500
Cash at bank		426,820	44,544
		<u>481,845</u>	<u>344,640</u>
CREDITORS			
Amounts falling due within one year	15	(89,948)	(65,184)
NET CURRENT ASSETS		<u>391,897</u>	<u>279,456</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		575,261	328,781
NET ASSETS		<u>575,261</u>	<u>328,781</u>
FUNDS	17		
Unrestricted funds		<u>575,261</u>	<u>328,781</u>
TOTAL FUNDS		<u>575,261</u>	<u>328,781</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

18/05/22

.....
S M Griffiths - Trustee

Heart of Birmingham Vocational College
Limited

Cash Flow Statement
for the year ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	275,595	37,462
Net cash provided by operating activities		<u>275,595</u>	<u>37,462</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(184,531)	(17,808)
Sale of tangible fixed assets		291,212	17,000
Net cash provided by/(used in) investing activities		<u>106,681</u>	<u>(808)</u>
Cash flows from financing activities			
Loan repayments in year		-	(59,152)
Interest paid		-	(17,382)
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(76,534)</u>
Change in cash and cash equivalents in the reporting period		<u>382,276</u>	<u>(39,880)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>44,544</u>	<u>84,424</u>
Cash and cash equivalents at the end of the reporting period		<u><u>426,820</u></u>	<u><u>44,544</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	246,480	9,551
Adjustments for:		
Depreciation charges	22,780	23,681
Profit on disposal of fixed assets	-	(2,553)
Interest paid	-	17,382
(Increase)/decrease in debtors	(18,429)	14,872
Increase/(decrease) in creditors	24,764	(25,471)
Net cash provided by operations	<u>275,595</u>	<u>37,462</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank	44,544	382,276	426,820
	<u>44,544</u>	<u>382,276</u>	<u>426,820</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	263,500	(263,500)	-
	<u>263,500</u>	<u>(263,500)</u>	<u>-</u>
Total	<u>308,044</u>	<u>118,776</u>	<u>426,820</u>

1. CHARITABLE COMPANY INFORMATION

The Heart of Birmingham Vocational college Limited is a private limited charitable company limited by guarantee not having share capital, incorporated and domiciled in England and Wales. The registered office is 19a Cato Street, Nechells, Birmingham, B7 4TS.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation and apportionment of costs

All costs are allocated between expenditure categories in the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the year ended 31 August 2021

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme and the Local Government Pension Scheme. These are defined benefit schemes. As stated in Note 17 the Teachers' Pension Scheme is a multi-employer scheme and there is insufficient information to use defined benefit accounting. Only a minority of the charity's employees are in the Local Government Pension Scheme and consequently no formal valuation of the scheme liability has been obtained for these financial statements. Both schemes are therefore treated as defined contribution schemes for accounting purposes and the contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and trade creditors and loans from connected companies. These debt instruments are measured at the amount of the cash or other consideration expected to be received or paid.

Current asset investment

The current asset investment, being a freehold property awaiting sale, is recognised at the lower of its former depreciated cost and its net realizable value.

3. DONATIONS AND LEGACIES

	2021 £	2020 £
Parental donations	19,470	44,981
Other income	8,787	3,642
	<u>28,257</u>	<u>48,623</u>

4. INVESTMENT INCOME

	2021 £	2020 £
Surplus on realization of freehold property awaiting sale	<u>165,124</u>	<u>-</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
ESFA income	Education	964,616	752,147
Local authority income	Education	1,138,358	913,702
Dept of education	Education	140,003	13,078
Dept for work & pensions	Education	1,806	17,384
Coventry council	Education	5,750	-
Solihull council	Education	7,510	-
		<u>2,258,043</u>	<u>1,696,311</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2021

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Education	1,708,794	496,150	2,204,944

7. SUPPORT COSTS

	Other £
Education	496,150

Support costs, included in the above, are as follows:

Other

	2021 Education £	2020 Total activities £
Catering	27,643	16,355
Rent and rates	183,935	178,808
Water rates	2,400	596
Waste collection	2,628	2,028
Cleaning	31,184	11,228
Gas & electricity	9,474	11,767
Office costs	12,050	6,542
Phone & mobile	13,621	14,472
Subscriptions & memberships	23,042	9,801
Legal & professional fees	28,509	12,469
Insurance	8,319	5,316
Auditors fee	7,476	7,602
Repairs & renewals	25,189	12,904
Security	-	264
Health & safety	33,366	3,617
Bank charges & interest	83	70
Depreciation	22,780	23,681
IT expenditure	54,655	36,621
General expenses	6,958	4,973
Loan interest payable	-	17,382
Website costs	2,838	1,270
Profit on sale of vehicles	-	(2,553)
	496,150	375,213

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	22,780	23,681
Surplus on disposal of fixed assets	-	(2,553)
Auditor's fees - statutory audit	6,600	6,600

Notes to the Financial Statements - continued
for the year ended 31 August 2021

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 (2020: None).

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	1,324,096	1,026,600
Social security costs	109,739	86,368
Other pension costs	120,773	138,875
	<u>1,554,608</u>	<u>1,251,843</u>

The average monthly number of employees during the year was as follows:

	2021	2020
	54	42
Total	<u>54</u>	<u>42</u>

One employee received emoluments in excess of £60,000 (2020: One).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	48,623
Charitable activities	
Education	1,696,311
Total	<u>1,744,934</u>
EXPENDITURE ON	
Charitable activities	
Education	1,735,383
NET INCOME	<u>9,551</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	319,230
TOTAL FUNDS CARRIED FORWARD	<u>328,781</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2021

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2020	-	89,764	28,641	118,405
Additions	147,691	10,056	26,784	184,531
Disposals	-	(78,269)	-	(78,269)
At 31 August 2021	147,691	21,551	55,425	224,667
DEPRECIATION				
At 1 September 2020	-	57,120	11,960	69,080
Charge for year	7,385	4,310	11,085	22,780
Eliminated on disposal	-	(50,557)	-	(50,557)
At 31 August 2021	7,385	10,873	23,045	41,303
NET BOOK VALUE				
At 31 August 2021	140,306	10,678	32,380	183,364
At 31 August 2020	-	32,644	16,681	49,325

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	46,967	32,100
Prepayments and accrued income	8,058	4,496
	<u>55,025</u>	<u>36,596</u>

14. CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Freehold property awaiting sale	-	263,500

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	27,899	22,788
Social security and other taxes	32,240	23,181
Other creditors	15,070	12,615
Accrued expenses	14,739	6,600
	<u>89,948</u>	<u>65,184</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2021

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	43,582	26,974
Between one and five years	160,580	40,759
	<u>204,162</u>	<u>67,733</u>

17. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	328,781	246,480	575,261
TOTAL FUNDS	<u>328,781</u>	<u>246,480</u>	<u>575,261</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,451,424	(2,204,944)	246,480
TOTAL FUNDS	<u>2,451,424</u>	<u>(2,204,944)</u>	<u>246,480</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	319,230	9,551	328,781
TOTAL FUNDS	<u>319,230</u>	<u>9,551</u>	<u>328,781</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,744,934	(1,735,383)	9,551
TOTAL FUNDS	<u>1,744,934</u>	<u>(1,735,383)</u>	<u>9,551</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2021

18. RELATED PARTY DISCLOSURES

The key management personnel of the charity comprise the Trustees, the Principal and the Head of Student Services. The total employee benefits of the key management personnel of the charity were £107,123 (2020: £98,497).

19. PENSION COMMITMENTS

The charitable company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £14,285 were payable to the schemes at 31 August 2021 (2020: £12,354) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

19. PENSION COMMITMENTS - continued

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

Due to the fact that only a minority of the charity's employees are in the Local Government Pension Scheme, no formal valuation of the scheme liability has been obtained for these financial statements. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The total contributions to defined benefit pension schemes recognised as an expense for the year ended 31 August 21 were £120,773 (2020: £138,875).

Detailed Statement of Financial Activities
for the year ended 31 August 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Parental donations	19,470	44,981
Other income	8,787	3,642
	<u>28,257</u>	<u>48,623</u>
Investment income		
Surplus on realization of freehold property awaiting sale	165,124	-
Charitable activities		
ESFA income	964,616	752,147
Local authority income	1,138,358	913,702
Dept of education	140,003	13,078
Dept for work & pensions	1,806	17,384
Coventry council	5,750	-
Solihull council	7,510	-
	<u>2,258,043</u>	<u>1,696,311</u>
Total incoming resources	<u>2,451,424</u>	<u>1,744,934</u>
EXPENDITURE		
Charitable activities		
Salary costs	1,324,096	1,026,600
Social security	109,739	86,368
Pensions	120,773	138,875
Agency staff	22,173	-
Goods	3,076	8,439
Transport activities	41,651	53,096
Staff training	44,404	15,899
Student support costs	42,882	30,893
	<u>1,708,794</u>	<u>1,360,170</u>
Support costs		
Other		
Catering	27,643	16,355
Rent and rates	183,935	178,808
Water rates	2,400	596
Waste collection	2,628	2,028
Cleaning	31,184	11,228
Gas & electricity	9,474	11,767
Office costs	12,050	6,542
Phone & mobile	13,621	14,472
Subscriptions & memberships	23,042	9,801
Legal & professional fees	28,509	12,469
Insurance	8,319	5,316
Auditors fee	7,476	7,602
Carried forward	350,281	276,984

Heart of Birmingham Vocational College
Limited

Detailed Statement of Financial Activities
for the year ended 31 August 2021

	2021 £	2020 £
Other		
Brought forward	350,281	276,984
Repairs & renewals	25,189	12,904
Security	-	264
Health & safety	33,366	3,617
Bank charges & interest	83	70
Depreciation	22,780	23,681
IT expenditure	54,655	36,621
General expenses	6,958	4,973
Loan interest payable	-	17,382
Website costs	2,838	1,270
Profit on sale of vehicles	-	(2,553)
	<u>496,150</u>	<u>375,213</u>
Total resources expended	<u>2,204,944</u>	<u>1,735,383</u>
Net income	<u>246,480</u>	<u>9,551</u>