

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

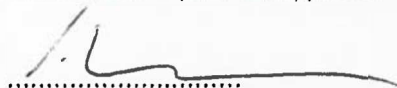
Insurance Brokers

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 for the hire of various pieces of equipment, including vehicles, for the period 2025 to 2030. The commitments are for a total of £272,414 in 2025 and £265,409 in 2024.

	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>