



Hills Road Sixth Form College Cambridge

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 August 2025

CONTENTS

Strategic Report.....	1
Statement of Corporate Governance and Internal Control.....	15
Statement of Regularity, Propriety and Compliance.....	23
Statement of the Responsibilities of the Members of the Corporation	24
Independent Auditor's Report to the Corporation of Hills Road Sixth Form College .	26
Reporting Accountants' Assurance Report on Regularity.....	Error! Bookmark not defined.
Consolidated Statements of Comprehensive Income and Expenditure	33
Consolidated and College Statement of Changes in Reserves.....	34
Balance Sheets at as 31 August 2025	35
Consolidated Statement of Cash Flows.....	367
Notes to the Accounts	38

Reference and Administrative Details

Corporation (Board of Governors)

A Clark
B Cotta (to 31 July 2025)
M Dawe
E Fletcher (to 5 October 2024)
P Heaney
A Omo
K Paton
C Philbin
J Russell
M Smalley (from 6 November 2024)
C Southgate
J Sterling
A Taylor
K Taylor
J Trump
E Uygun
R Westcott

Governance Professional

R Smith

Senior Management Team

J Trump	Principal and Accounting Officer
I Pryer	Deputy Principal
A Kirkman	Vice Principal – Staff and Student Learning
T Lomas	Vice Principal – Student Progression & Support
S Hanif	Chief Financial Officer
R Hooper	Chief Operating Office

Principal and Registered Office Hills Road, Cambridge CB2 8PE

Professional Advisers

External auditor	Buzzacott Audit LLP
Internal auditors	MHA MacIntrye Hudson
Solicitors	Eversheds LLP
Bankers	Barclays Bank, 9-11 St Andrews Street, Cambridge Lloyds Bank, 25 Gresham Street, London

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

Nature, Objectives and Strategies

The members present their report and the audited financial statements for the period 1 August 2024 to 31 August 2025 with comparative information for the year ended 31 July 2024. These accounts have been prepared on a basis other than going concern, due to the dissolution of the Hills Road Sixth Form College on 31 August 2025 and its subsequent transfer to Hills Education Trust Limited.

Legal status

The Corporation, which was incorporated as Hills Road Sixth Form College, was established under the Further and Higher Education Act 1992, for the purpose of governing Hills Road Sixth Form College. The College is an exempt charity for the purposes of the Charities Act 2011. The College was dissolved on 31st August 2025 to create a new Multi Academy Trust, called Hills Education Trust.

Regulatory status

The College receives funding for its 16-18 year old students, from the Department for Education. The College was not in receipt of Adult Education funding during this financial year.

Purpose: Hills Road exists to offer an academic pathway for growth to the young people of Cambridgeshire through an enriching educational experience that opens doors, hearts and minds.

Mission: We offer a nurturing community which develops creative and confident learners, resourceful and resilient individuals, and responsible and active citizens. We offer opportunities for excellence and innovation that inspire and empower both students and staff to make a difference locally, nationally and globally.

Vision: Opening doors, hearts and minds to shape the future

Values: Diversity, Excellence, Respect, Integrity, Community and Kindness

Public Benefit

The College is an exempt charity under Part 3 of the Charities Act 2011, and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed above and on page 16.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard to the Charity Commission's guidance on public benefit, and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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

- high quality teaching within a broad based curriculum;
- strong student support, guidance and enrichment activities;
- excellent examination outcomes;
- successful progression for students to their first-choice destination; for the vast majority, this is a higher education establishment;
- links with employers.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

Implementation of the strategic plan

The College's current strategic plan for the period 2024-28 was approved by the Corporation in July 2024 and took effect from September 2024. Members of the Corporation reviewed the Strategic Plan, Risk Register and Financial Forecasts to ensure that resources exist to support the College's strategic objectives and review and update the plan each year to create a rolling plan. The current strategic aims are as follows:

Strategic Plan 2024 - 2028

To be a future-focused organisation, building on our strengths and values to innovate and to enhance experiences for both students and staff to continue to thrive at Hills Road.

1.0 Strategic Objective One – People

To retain and recruit a diverse, high-quality staff team who are provided with opportunities for personal and professional growth to meet the needs of future cohorts and the fourth industrial revolution. We want to continue to serve our Cambridge Area Partnership students by developing impact skills, reducing barriers to learning and empowering the leaders of the future.

2.0 Strategic Objective Two – Place

To expand and create a modern, vibrant campus that enhances the College environment and meets the future needs and aspirations of our staff and student community.

3.0 Strategic Objective Three - Planet

To be a voice for action on climate change. We will commit to making a tangible difference by role modelling and educating for the action needed locally, nationally and globally to address the climate and biodiversity emergency

4.0 Strategic Objective Four – Progress

To be creative and confident leaders harnessing the potential of ideas, the power of community and the capability of technology to enrich our approaches to learning and working.

Financial Objectives

To maintain a sound financial base the College, including its subsidiary, Cantabrigian Ltd, will aim to:

1. maintain a two-year cashflow forecast issued monthly to members and College Strategy Team as part of the monthly management accounts cycle;
2. maintain a positive cashflow from operating activities each year (except where significant construction costs are planned, and only with Trust approval);
3. maintain a positive underlying operating position before FRS102 adjustments and exceptional items;
4. achieve an adjusted current ratio of at least 2.0;
5. maintain total borrowing as a percentage of income at no more than 15%*;
6. maintain the ratio of borrowings to adjusted operating surplus for performance ratio at no more than 5:1 (bank covenant)*;
7. available cashflow to be no less than 100% of debt servicing costs (bank covenant)*;
8. maintain cash days of 25 or more;
9. retain its financial health assessment at 'good' or 'outstanding'; and
10. ensure the Chair of the Trust and the College Strategy Team monitor financial performance on a monthly basis and take any necessary corrective action.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

Objective 2 has not been met in year due to significant construction costs with Corporation oversight.

Objective 4 has not been met as we have paid off our remaining loan ahead of term.

*As we have paid off our loan in full, objectives 5,6 and 7 are no longer applicable.

All other objectives at year ended 31 August 2025 have been met.

Performance Indicators

The College produces an annual Self-Assessment Report which is presented to the Corporation at a meeting in the Autumn term. The report comprises a summary of findings and self-assessment judgements, together with findings from an evaluation process, feedback from learners and a range of performance measures relating to key areas of the College's activity.

The College has a national reputation for the quality of its provision; it was inspected by Ofsted in April 2025 retaining its *Outstanding* status as a consequence of receiving Outstanding in all key judgement areas. As was evident to Ofsted in that inspection, and since, the College's success rates are amongst the strongest in the country with most students progressing to university, including many to the most competitive higher education providers.

FINANCIAL POSITION

Financial results

The "underlying" operating position (excluding exceptional items) for the College was £20k in 2024-25 which on budget at year end. Exceptional items are not part of normal operations, and they include pension adjustments for the Local Government Pension Scheme (LGPS). The summary outturn for the College (not Group) is as follows:

College	2024-25 £'000	2023-24 £'000
Statutory Accounts surplus on continuing operations	333	315
Impact of LGPS FRS 102 accounting (13 months)	(313)	(229)
Underlying operating surplus after exceptional items	20	86

As a Group, before exceptional items, Hills Road Sixth Form College has recorded a **surplus** on continuing operations after depreciation of assets at valuation, tax and pension costs, of £509k in 2024-25 (2023-24: £502k). Included is a profit of £176k (2023-24: £187k) from the trading subsidiary, Cantabrigian Limited, which operates as Hills Road Sports and Tennis Centre.

The actuarial **gain** in relation to the College's defined benefit pension plans, totals £3,727k. However, as the scheme is in a surplus position, under FRS 102, the College is only able to recognise a pension asset to the extent to which recoverability is demonstrable. Given any refunds or reductions in contribution are not within control of the College, the position is capped at £nil at 31 August 2025 and 31 July 2024. The actuarial loss of £313k for 2024-2025 (2023-24: £229k) offsets the interest and staff cost credits which are included within continuing operations.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

The Group has a tangible fixed asset base of £25 million (2023-24: £25.5 million), accumulated general reserves of £15 million (2023-24: £14.9 million) and cash balances of £2 million (2023-24: £2.6 million).

The business activities of the College's trading subsidiary, Cantabrigian Limited, are confined to the UK. Hills Education Trust owns 100% of the issued Ordinary Shares of Cantabrigian Limited at a cost of £2. The profit is gift-aided annually to the College.

Treasury Management

The College treasury management policy provides the framework within which the College manages its investments and borrowings. This is reviewed annually and was last updated in September 2024.

The Corporation approved a loan from Barclay's Bank to support Phase V of the College's Property Strategy of £1.62million in 2016. This loan was paid off in full in July 2025.

Liquidity

The Group has zero total borrowings. Net funds at 31 August 2025, amounted to £18.6 million (2023-24: £18.4 million).

Reserves Policy

The College's Reserves Policy is in place and is reviewed by the College annually in the December meeting. It explains a definition of reserves, the legal authority to hold reserves, why the College holds free reserves, the financial risks mitigated by the holding of reserves, and the policy's impact on Going Concern considerations. The target for Free Reserves is between £1.5m and £5m (with trigger points, which require the CFO to inform and consult with the Chair of Corporation, of £1.95m and £3.5m). The total Free Reserves for the Group at 31 August 2025 is £751k (2023-24 £1.2m).

The general reserves at 31 August 2025 totalled £15.1 million (2023-24 £14.9 million), in addition to the revaluation reserve of £3.4 million and restricted reserves of £41k, which comprises funds endowed for prizes for students.

The level of reserves are monitored throughout the year, as part of the normal monitoring and budgetary reporting processes. Management accounts, which include a balance sheet and current and future year cashflow, are sent out to Trust members monthly, and the most recent set of management accounts is received and considered by the Trust at least once a term.

Any significant changes to the reserves will have been reported to the Trust well ahead of the change being implemented. Anticipated expenditure, which may affect reserves, is generally as a result of Strategic or Property Plans, which would have been discussed and approved at previous meetings, or through the Chair's delegated action. Any significant *unexpected* changes to the reserves are brought to the attention of the Corporation, as soon as is reasonably possible.

The College, in discussion with the Trust, has considered the effect of strategic and property plans on reserves, and having looked at budgets and forecasts over the next few years, as well as the effect on 2025-26, particularly in relation to the ongoing Estates improvement plans, is confident that the reserves will remain at a reasonable level.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

Cash flows

Net cash inflow from operating activities was £1.3m (2023-24: £1.2m). After allowing for expenditure on capital, there was a decrease in cash of £571k (2023-24: £736k).

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services, or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. The College incurred no interest charges in respect of late payment for this period. The College's creditor deferral interval at the year end, that is the time taken to pay its creditors, is 20 days.

The College did not write off any debts in the year.

Financial Health

The College has continually met the financial criteria, and its financial returns have been consistently assessed as *good* or *outstanding* each year up to and including August 2025 and are self-assessed as *good* for the year 2024-25.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

The College's funding allocation is calculated on the number of students enrolled and retained at the census date in the previous year i.e. 'lagged' funding. In 2024-25, the College was funded for 2,795 16-18 students (2790 FTE) and had an out-turn of 2,923.

Examination Achievements

The College's examination results were once again very strong. It is anticipated that the College will once again feature very near the top of the national performance tables for points per A Level entry, a table that Hills Road Sixth Form College has been in the top three of every year since these tables were first introduced.

	2025 HRSFC	2025 National
A*	15.3%	9.4%
A* - B	75.0%	55.1%
A* - E	99.3%	97.5%

IT

Developments during 2024-25 include:

- The refresh of a third phase of PC replacement (c. 185) was carried out in year.

Developments planned for 2025-26 include:

- The College will need to replace our support staff laptops which will be six years old in 2025-26 (the teaching laptops having been replaced in 2022-23)

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

- Switching network infrastructure will be upgraded as part of a phased three-year project
- A major refresh of our MFD provision will be completed with a new contract due to start August 2026

Estates

Streamlined Energy and Carbon Reporting

The College is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- EV minibuses replaced the ageing ICE fleet in February
- Air Source Heat pumps fitted to the Maths building in August, to maintain a more consistent internal temperature through the year and reduce the use of the oil-fire boilers

The College's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2025 UK Government's Conversion Factors for Company Reporting are as follows:

UK Greenhouse gas emissions and energy use data	2024-25	2023-24
Energy consumption used to calculate emissions (kWh)	2,233,568	1,654,833
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	262.9	269.9
Owned transport (post March 2025 EV	0.1	-
Total	263.0	269.3
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity (Market based and all renewable)	-	-
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	n/a	n/a
Total gross emissions in metric tonnes CO2e	263.0	269.3

Intensity ratio

Metric tonnes CO2e per student	0.090	0.096
--------------------------------	-------	-------

The College continues to invest heavily in the Estate with planned works spanning several years.

Projects completed or started in 2024-25 include:

- The project to install a secure perimeter of the college was substantially completed in 2023-24 and was operational by the start of the academic year 2024-25.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

During the summer of 2025 the Estates Department, working closely with other departments, also undertook a significant programme of renovation and refurbishment across the College Estate. This included:

- Repainting of the lines on Purbeck Road and the traffic calming carried, new marked entrances for bicycles were created.
- The last marquee that was purchased during the covid pandemic was taken down and area re-seeded with grass to reinstate an outside space for the College.
- 11 groups or individuals were relocated to new offices which included substantial refurbishment and/or new furniture across all of them. This also included the start of door replacements in the main building to address the safeguarding issue around the lack of vision panels in the doors and to modernise the main administrative areas of the College.
- As part of this modernisation, the carpet was replaced with Karndean (to match other areas of the College) in the main building along the full length of the corridor and from the top floor to the basement on both staircases.
- Remodelling and refurbishing P103, 104 & 105 (that were too small for curriculum-based use) into two larger rooms
- Installation of air conditioning units into the classrooms in Linda Sinclair Building to address overheating and aid in maintaining a good working temperature in the colder months using renewable sources rather than fossil fuel.
- Remodelling and refurbishing the College kitchens and serving counters to better cope with the move to having a split lunchtime. This included moving the coffee shop to the Hub (in the basement) and creating better food counters in the main café.

RESOURCES

The College is located on a six-acre site on a main arterial road into the City of Cambridge, which is about 1.5 miles to the north. The Sports and Tennis Centre is adjacent to the College on a three-acre site and in addition, ten acres of playing fields are located approximately 0.5 miles away.

The Group has £18.6 million of net assets with no pension liability in year (2023-24: no pension liability), deferred capital grants treated as a liability under FRS 102 of £7 million (2023-24: £7.4 million) and has no loans.

Net current assets stand at £693k (2023-24: £941k) including deferred capital grants treated as a current liability under FRS 102 of £7,373k at the year end. None of the Group's assets are held with high credit risk banks.

During 2024-25, the College employed on average 399 staff, of which 216 are teaching staff (including about 57 adult education tutors) and 183 are non-teaching staff. In addition, there are about 30 staff who are employed casually mainly as invigilators in the examination periods.

The College enjoys an excellent local, regional and national reputation as one of the top sixth form colleges in the country. The College has high retention and achievement rates for 16-19 students, and its examination results are among the best in the

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

country. Each year approximately 70 students successfully apply to Oxford and Cambridge universities, more than any other state school or college in the country. The College also has the highest number of students achieving AAB in 'facilitating subjects' at A level of any institution, state or independent, in the country.

PRINCIPAL RISKS AND UNCERTAINTIES

The risk management policy of the College is to adopt best practices in the identification, evaluation and cost-effective control of risks, to ensure that they are eliminated or reduced to an acceptable level.

The College's risk management objectives are to:

- Integrate risk management into the culture of the College,
- Manage risk in accordance with statutory and mandatory obligations and best practice,
- Minimise the costs associated with risk to continue to fulfil the College's mission,
- Anticipate and respond to changing social, environmental and legislative requirements, *and*
- Raise awareness of the need for risk management.

The College's risk management procedures take cognisance of the Academies Trust Handbook. The College has systems to ensure that key risks are identified and formally reviewed on a termly basis by the College's Strategy Team. These have been reviewed by the College Strategy Team, Audit Committee, Corporation and Internal Auditors regularly.

The main risk factors affecting the College are outlined below, not all factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- Failure to monitor financial viability and maintain Group solvency leads to poor financial health, reduction in investment, breadth of curriculum and resources and DfE Special measures imposed or insolvency,
- Failure to recruit and retain students leading to financial risk, reputational risk and reduction of curriculum offer,
- Failure to maintain student outcomes either in a local context verses other post 16 provision or nationally given the College's unrivalled reputation, could result in reputational damage and future student enrolment could be negatively affected,
- Failure to recruit and retain staff could affect quality if the College fails to recruit high calibre staff for example due to increased competition locally,
- Failure to maintain the quality of Teaching, Learning and Assessment could lead to reputational damage if student outcomes are affected. This could result in poor student recruitment verses local post 16 providers leading to financial difficulties,
- Safeguarding (including radicalisation and inappropriate sexual conduct) issues are not identified, actions taken are insufficient and ineffective, students at risk of harm, do not achieve or the College could face OFSTED action or prosecution leading to poor College reputation,
- Being unable to meet the growing number of social, emotional and mental ill health needs of our students,
- Poor Health and Safety practice leads to injury, death, prosecution Failure to be ready to respond effectively and in a timely way to changes in the structure of

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

- further education – including responses to the increasing numbers of potential students and their location within Cambridgeshire,
- Loss of data or systems access (from, for example, a cyber-attack) could result in reputational damage and financial loss.

The College mitigates these risks through:

- A termly review by the Corporation of financial performance, including the effect of the Estates plans on finances, including cashflow,
- Robust challenge of presented financial budgets and forecasts, undertaken by Corporation,
- In-year progress monitoring, including focus on Free School Meals (FSM), 16-19 Bursary, Special Education Needs and Disabilities (SEND), and Looked After Children (LAC), students,
- Staff retention targets set for teaching and support staff, monitored and regularly reported to the Corporation.
- Robust Departmental Development Plans (DDP) which include an element of self-assessment - departments with weaker than expected results have clear Departmental Improvement Plans (DIP) with support in place (including budgetary),
- Political advocacy in conjunction with other SFCs

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Hills Road Sixth Form College has many stakeholders. These include:

- Cambridge Area 14-19 Partnership (CAP),
- Cambridge City and Cambridgeshire County Councils,
- Department of Education (DfE)
- Local colleges,
- Local community,
- Local employers,
- Local Enterprise Partnership (LEP),
- Maple Group of Colleges (twelve leading sixth form colleges),
- Office for National Statistics (ONS),
- Parents,
- Sixth Form Colleges' Association (SFCA),
- Sixth Form/FE Commissioner,
- Regional Schools Commissioner,
- Staff,
- Students,
- Universities.

The College recognises the importance of these relationships and engages in regular communication with its stakeholders through the College website, regulatory submissions, by meetings, conferences and through its Enrolment and Induction days and Open Events.

Disability Statement

The College is committed to promoting equality for disabled staff and students, seeking to create an environment that is open and accessible, where diversity and individual choice are celebrated, thus enabling all its members to participate fully

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

in College life. The College seeks to achieve the objectives set down by the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005, the Special Educational Needs and Disability Act 0-25 years 2014 and the Equality Act 2010.

Employment of Disabled Persons

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the standard. The College considers all applications for employment from disabled persons bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the College continues. The College's policy is to provide training, professional career development and opportunities for promotion for disabled persons, which are commensurate with those for non-disabled employees.

Health and Safety

The College is committed to safeguarding and promoting the welfare of its students and staff and expects all members of the College community, volunteers and visitors, to share this commitment. The College aims to ensure that relevant and effective safeguarding practices exist which are actively promoted. The College encourages students and staff to talk to the appropriate staff about concerns they may have regarding health, safety and welfare.

Health and safety at work is the responsibility of everyone at the College. All staff and students, with the appropriate support, training and supervision, are required to operate safe working practices and procedures and to work and study with due consideration for the safety of others.

The College Health and Safety team meets termly to discuss and review health and safety issues and contributes to the development, implementation and monitoring of the health and safety policy. The Corporation has a standing invitation to attend H&S meetings, and all Minutes are distributed to Corporation Members. During 2024-25 there were no accidents or incidents that resulted in insurance claims.

The College fulfils its statutory responsibilities in respect of Safeguarding and Prevent and presents an annual report to the Corporation in the July meeting.

Equity, Diversity & Inclusion (EDI)

The College is committed to ensuring that all members of its community enjoy equal opportunity and is fully aware of its statutory responsibilities in this regard. Its

commitment to equity, diversity, and inclusion (EDI) is embedded in a set of principles that underpin the College's Single Equality Scheme (SES). Overall responsibility for EDI during the year ending 2025 rested with the Vice Principal - Student Progression and Support, supported by the Head of Student Personal Development (EDI Lead) and four EDI Officers.

The College publishes an annual EDI Report and a Single Equality Scheme Action Plan, which includes equality objectives to ensure compliance with the Equality Act 2010 and the Public Sector Equality Duty. A review of the SES was undertaken during the year, incorporating student voice, and a revised plan for 2023-2027 was

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

developed. The SES promotes equality across the nine protected characteristics and includes a commitment to addressing socio-economic disadvantage.

Regular updates are shared with staff via the College EDI SharePoint site and through the EDI Curriculum Link, ensuring subject areas remain informed and engaged. The College conducts Equality Impact Assessments (EIAs) for all new and updated policies, and reviews existing policies on a prioritised basis.

EDI developments in the year include:

- Significant improvement in outcomes for Free College Meals (FCM) students (+0.16 in 2025 vs. -0.12 in 2024).
- Continued narrowing of the attainment gap for SEND students (from -0.20 in 2022 to -0.09 in 2025).
- Launch of the Reach Out campaign and self-referral counselling, increasing student engagement.
- Expansion of the Young Adult Carers (YACs) support group and integration into the Early Intervention Programme.
- Development of a YAC Staff Champion role.
- Launch of a student Teams site and half-termly student voice forums to enhance communication and engagement.
- Celebration of diversity through events such as Hello Yellow, Black History Month, CultureFest and Pride Week.
- Introduction of specialist Student Representative roles in Mental Health, EDI, and Sustainability with 160 applicants.
- Renewal of the Rainbow Flag Award and embedding of values-led recruitment strategies.

Future developments include:

- Expansion of outreach to additional schools in areas of deprivation.
- Increased student representation in cultural events.
- Continued development of student-led initiatives and specialist roles within the Student Representative programme.
- Enhanced use of Instagram and other platforms to promote externally inclusive activities.
- Completion of the Kite Trust renewal and pursuit of an additional external kitemark for diversity and neurodiversity.
- Further embedding of values-led recruitment and inclusive interview practices.
- Delivery of EDI training during Staff Development Week, including neurodiversity and anti-racism CPD.
- Implementation of self-booked wellbeing appointments and Artemis-A mood tracking.
- Creation of a private bursary fund and continuation of weekly bursary drop-ins.
- Expansion of exam anxiety support.
- Continued development of support for Young Adult Carers and work toward the Young Adults in Schools Award.
- Improved monitoring of student engagement and access to support services, including:

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

- Careers appointments and work experience
- Destination data by protected characteristic
- Counselling and wellbeing appointments
- Attendance

Training and Development of Staff

The College is committed to recruiting staff with excellent qualifications and appropriate experience. It recognises the importance of providing continuous professional development as an entitlement to all staff to develop the ability of each member of staff to contribute towards the achievement of the College's objectives and to sustain and enhance the high-quality educational experience which the College provides for students. In addition to off-site training, the College has a staff development period in the Summer term each year, in which all staff participate in elective and compulsory sessions. The College is committed to maintaining a healthy budget for training and development sufficient to realise its strategic aims.

Trade Union Facility Time

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

Number of employees who were relevant period	FTE employee number
3	3

Percentage of time	Number of employees
0%	0
1-50%	3
51-99%	0
100%	0

Total cost of facility time	£2,677
Total pay bill up to 31 March 2025 (before pension adjustments)	£13,385,000
Percentage of total bill spent on facility time	0.02%

Time spent of paid trade union activities as a percentage of total paid facility time	100.00%
---	---------

Staff and Student Involvement and Consultation

The Members of the Corporation, the Principal and senior management fully accept their responsibility for important matters of policy. However, the College encourages employee involvement through the membership of several teams, the annual staff forum, support staff and part-time teaching staff meetings, staff meetings and briefings and through consultation on matters affecting the College's strategy and operation. There are two staff members on the Corporation. The College encourages participation from students, one of whom, normally the Chair of the Student Council, is a student member of the Corporation. The Student Council is consulted on a range of issues and encouraged to bring forward proposals. Students are also involved in the appointment of new teaching staff with their feedback considered alongside that arising from other elements of the appointment process. The College also consults on

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Strategic Report (continued)

Period 1 August 2024 to 31 August 2025

particular issues by using focus groups of interested students and undertakes periodic satisfaction surveys.

Going Concern

Following its creation of a Multi Academy Trust on 1st September 2025, Hills Road Sixth Form College is no longer a going concern. Its assets, liabilities and activities were transferred to Hills Education Trust on this date and the College subsequently dissolved.

Post-Balance Sheet Events

On 1 September 2025, the assets, liabilities and undertakings of Hills Road Sixth Form College were transferred to Hills Education Trust Limited, with the Corporation of Hills Road Sixth Form College dissolving from this date.

Disclosure of information to auditors

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

Approved by order of the Trustees of Hills Education Trust and signed on its behalf by:



Jane Sterling
Chair of the Trust

10 December 2025

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control
Period 1 August 2024 to 31 August 2025

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- ii. having due regard to the UK Corporate Governance Code 2018 ('the Code') insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Members of the Trust, who are also Trustees for the purposes of the Charities Act 2011, confirm that they have paid due regard to the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

The Corporation

Members who served the Corporation during the period to 31 August 2025 were as follows:

Name	Date of Appointment	Term of Office	Date of Resignation (R)/ Termination (T)/	Committee Memberships	Attendance including Committees
Mr A Clark	3 February 2021 3 February 2025 (re-appointed)	to 31 August 2025		Audit	75%
Mr B Cotta Parent Member	12 December 2023	to 31 July 2025			88%
Mr M Dawe	12 December 2023	to 31 August 2025		Audit	63%
Ms E Fletcher	3 February 2021	to 31 August 2025	5 October 2024 (deceased)	Nominations Remuneration	0%
Ms P Heaney	29 March 2023	to 31 August 2025			75%
Mr A Omo	20 October 2021 20 October 2025	to 31 August 2025		Audit Remuneration	88%
Mrs K Paton Staff Nominee	7 June 2023	to 31 August 2025			100%
Miss C Philbin	1 August 2021	to 31 August 2025		Audit	57%
Mr Jonathan Russell	31 October 2023	to 31 August 2025			86%
Matthew Smalley	6 November 2024	to 31 August 2025			
Ms C Southgate Student Nominee	15 May 2024	to 22 July 2025			
Dr J Sterling	31 October 2023	to 31 August 2025		Nominations	86%
Ms A Taylor	12 December 2023	to 31 August 2025			100%
Mr K Taylor	1 January 2024	to 31 August 2025		Nominations Remuneration	100%
Ms J Trump Principal	18 April 2017	to 31 August 2025		Nominations	100%
Mr E Uygun	1 August 2021	to 31 August 2025			71%
Mr R Westcott	1 August 2023	to 31 August 2025		Audit	100%

Mr R Smith acted as Governance Professional to the Corporation and reported directly to that body.

The Governance Professional ensured that his knowledge of regulation and best practice remained current through attendance at sector body webinars and by various legal and other briefings.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

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

The Corporation was provided with regular and timely information on the overall financial performance of the College together with other information such as performance against targets, proposed budgets and major capital expenditure, quality, curriculum and planning matters, equality and diversity information, safeguarding and Prevent, health and safety and environmental issues. The Corporation met at least twice each term.

The Corporation reviewed at least annually adherence to the Strategic Plan, and to the values which underpin the Plan, and ensured by the diligence of its scrutiny that it was kept fully informed by the College management in this regard. It did not have occasion to remark any deviation from agreed objectives, nor any serious concerns that they would not be met.

The Corporation conducted the majority of its business at its meetings and had three committees: Audit, Remuneration and Nominations. Each committee had terms of reference, which had been approved by the Corporation. Approved minutes of meetings, except those deemed to be confidential by the Corporation, are available from the Governance Professional at Hills Road Sixth Form College, Hills Road, Cambridge, CB2 8PE and can also be viewed on the College's website www.hillsroad.ac.uk.

The Governance Professional maintained a register of interests of the members where there might have been a potential conflict with their fiduciary duties. The register is available for inspection on the College website.

All Members of the Corporation could take independent professional advice in furtherance of their duties at the College's expense and had access to the Governance Professional, who was responsible to the Corporation for ensuring that all applicable procedures and regulations were complied with. The appointment, appraisal and removal of the Governance Professional were responsibilities of the Corporation.

Formal agendas, papers and reports were supplied to Members of the Corporation in a timely manner prior to meetings. Briefings were also provided on an *ad-hoc* basis.

A two thirds majority of the Corporation were non-executives, who were independent and free from any business or other relationship which could interfere with the exercise of their independent judgement. No individual or group dominated the Corporation's decision-making process.

There were clear divisions of responsibility in that the roles of the Corporation, the Principal of the College and the Governance Professional which were exercised separately as provided in the Articles of Government.

Appointments to the Corporation

New appointments to the Corporation were a matter for consideration by the Corporation as a whole. The Corporation had a Nominations Committee which was responsible for the selection and nomination of candidates for appointment by the Corporation.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

Members of the Corporation were appointed for terms of office not exceeding four years (and not exceeding two terms). All terms of office ended on 31 August 2025 at the winding-up of the Corporation.

The Corporation was responsible for ensuring that appropriate training was provided to its members as required. Members of the Corporation received a thorough induction on appointment intended to cover all aspects of their responsibilities. On appointment to the Audit Committee, a further induction relevant to its work was given. In addition, members received regular updates on public policy, sector developments and regulatory changes. Safeguarding and child protection (including the Prevent strategy) were accorded a high priority, and members were updated at least annually to ensure that they remained vigilant in exercising their proper responsibilities.

Corporation Performance

There were seven Corporation meetings in the period from 1 August 2024 to 31 August 2025 and attendance was 85% (2024-25: 82%). Attendance at all meetings (including committees) was 84% (2024-25: 82%).

The Corporation reviewed the College Self-Assessment Report in the Autumn Term. This evidenced that student performance at the College continues to be very strong.

The Corporation reviewed an update of the College Management Accounts (including those of the subsidiary undertaking) at least termly. The Corporation reviewed the Annual Report and Accounts at a meeting in the Autumn Term and oversaw the progress of various estate developments. Approval of the 2025-26 estimates (and beyond) of income and expenditure was a responsibility of the Board of Trustees of Hills Education Trust Limited.

There were two Nominations Committee meetings in the year in which a key skills gap was identified by the Committee with subsequent recommendations made for extending periods of office to ensure that the governance by the Corporation was maintained to the date of its winding up.

Evidence of formal compliance with regulations may be found in the various minutes of the Corporation and its committees, all of which were approved in accordance with regulation and which are *prima facie* evidence of the proceedings to which they relate, particularly those of the Audit Committee relating to compliance with financial control and reporting requirements, and the Nominations Committee relating to compliance with the procedures attending the appointment of members of the Corporation. The minutes of the Corporation record those decisions reserved to it under the Instrument & Articles of Government together with approvals, including any formal arrangements entered into with contractors, properly falling within its remit.

Evidence for assessing the exercise of each of the Corporation's responsibilities is also contained within the minutes of the Corporation and its committees which are approved as *prima facie* evidence of the proceedings to which they relate.

Remuneration Committee

There were no meetings of the Committee during the year.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

Audit Committee

There were four Audit Committee meetings in the year. The Audit Committee comprised five members of the Corporation and was led by a Chair who was independent of the Corporation. The Chair of the Corporation and the Principal were not eligible for membership of the Committee but could have attended its proceedings, if invited. The Committee operated in accordance with written terms of reference approved by the Corporation. Its purpose was to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management control and governance processes.

The Audit Committee provided a forum for reporting by the College's internal and financial statements auditors, who had access to the Committee for independent discussion, without the presence of College management. The Committee also received and considered reports from the main Further Education funding bodies as they affected the College's business.

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

Management and, for the Corporation, the Governance Professional, were responsible for the implementation of agreed audit recommendations. The internal auditors undertook periodic follow-up reviews to ensure such recommendations had been implemented.

The Audit Committee also advised the Corporation on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

The current external auditors (Buzzacott Audit LLP) were appointed for a maximum of five years, following a formal tendering process in February 2020 with their first audit related to the year ended 31 July 2020. They were asked to extend their contract for a year as we transitioned into an Academy Trust.

The Audit Committee advised the board of governors that the Corporation had an effective framework for governance and risk management in place. The Audit Committee believed the Corporation had effective internal controls in place.

Internal Control

Scope of Responsibility

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

The Corporation delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control to support the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

assets for which the Principal was personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the College and the funding bodies.

The Principal was also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control was based on a continuing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control was in place in Hills Road Sixth Form College throughout the period ended 31 August 2025 and has continued to be in place up to the date of approval of the annual report and accounts.

Capacity to handle risk

In reviewing risk, the Corporation was mindful of the need to ensure sound finance over the long-term, and the development and preservation of the College's assets (including the estate). It also bore in mind how closely the College's business model addressed issues arising from considerations of student demography and the attendant demand for courses in order to ensure that provision continued to meet the needs of the community served.

The Corporation reviewed the key risks to which the College was exposed together with the operating, financial and compliance controls that had been implemented to mitigate those risks. The Corporation was of the view that there was a formal continuing process for identifying, evaluating and managing the College's significant risks in place for the period ended 31 August 2025, and that it would continue up to the date of approval of the annual report and accounts.

The risk and control framework

The system of internal control was based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It included:

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

The College has an internal audit service which operates in accordance with the requirements of the DfE's Post-16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans were endorsed by the Corporation on the recommendation of

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

the Audit Committee. At a minimum of annually, the Head of Internal Audit (HIA) provided the Corporation with a report on internal audit activity in the College. The report included the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Principal had responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of the system of internal control was informed by:

- the work of the internal auditors,
- the work of the managers within the College who have responsibility for the development and maintenance of the internal control framework, *and*
- comments made by the College's financial statements and regularity auditors in their management letters and other reports.

The Principal was advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit Committee which oversaw the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system.

The senior management team received reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also received regular reports from internal audit and other sources of assurance, which included recommendations for improvement. The Audit Committee's role in this area was confined to a high-level review of the arrangements for internal control.

The Corporation's agenda included a regular item for consideration of risk and control and reports were received thereon from the College senior team and the Audit Committee. The emphasis was on obtaining the relevant degree of assurance, not merely reporting by exception. At its December 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Audit Committee, the College senior team and internal audit and taking account of events since 31 July 2024.

Based on the advice of the Audit Committee and the Principal, the Corporation was of the opinion that the College had an adequate and effective framework for governance, risk management and control, and had fulfilled its statutory responsibility for *the effective and efficient use of resources, the solvency of the institution and the Corporation (including approving the annual estimates of income and expenditure), and the safeguarding of their assets*.

Internal review of Governance

Because the Corporation was due to be wound up on 31 August 2025, no formal internal review of governance was undertaken during the period.

Internal reviews will resume in 2025-26 under the governance arrangements pertaining to academies.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Statement of Corporate Governance and Internal Control (continued)
Period 1 August 2024 to 31 August 2025

Going Concern

Following its creation of a Multi Academy Trust on 1st September 2025, Hills Road Sixth Form College is no longer a going concern. Its assets, liabilities and activities were transferred to Hills Education Trust on this date and the College subsequently dissolved.

Approved by order of the members of the Trust on 10 December 2025 and signed on its behalf by:



Jane Sterling
Chair of the Trust



Jo Trump
Principal and Accounting Officer

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Statement of Regularity, Propriety and Compliance

Statement of the Accounting Officer

As Accounting Officer I confirm that the previous Corporation had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of the college's accountability agreement, funding agreements and contracts with DfE, and considered its responsibility to notify DfE material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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

I confirm that I, and the board of governors, are able to identify any material irregular or improper use of all funds by the corporation, or material non-compliance with the framework of authorities. I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and DfE.



Jo Trump
Principal and Accounting Officer

10 December 2025

Statement of Chair of the Trust

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



Jane Sterling
Chair of the Trust

10 December 2025

HILLS ROAD SIXTH FORM GROUP ACCOUNTS

Statement of the Responsibilities of the Members of the Corporation Period 1 August 2024 to 31 August 2025

The Members of the Corporation of the College are required to present audited financial statements for each financial year.

Within the terms and conditions of the college's accountability agreement, funding agreements and contracts with ESFA and any other relevant funding bodies, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice.

In preparing the financial statements the Corporation is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions, as appropriate, *and*
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions

HILLS ROAD SIXTH FORM GROUP ACCOUNTS
Statement of the Responsibilities of the Members of the Corporation
(continued)
Period 1 August 2024 to 31 August 2025

conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the corporation, the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from DfE, ESFA and other public bodies are not put at risk.

Approved by order of the Members of the Corporation on 10th December 2025 and signed on its behalf by:



Jane Sterling
Chair of the Trust

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Independent Auditor's Report to the Corporation of Hills Road Sixth
Form College
Period 1 August 2024 to 31 August 2025

Opinion

We have audited the financial statements of Hills Road Sixth Form College and its subsidiary (collectively the 'Group'), for the period from 1 August 2024 to 31 August 2025 which comprise the Group and College statement of comprehensive income and expenditure, , the Group and College statement of changes in reserves and balance sheets, the Group statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the College's affairs as at 31 August 2025 and of its financial performance and cash flows for the 13-month period then ended;
- have been prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE.

Basis for opinion

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

Emphasis of matter - Financial Statements prepared on a basis other than to going concern

We draw attention to the accounting policies within the financial statements and the report of the Corporation, which indicates that the entity has transferred operations to Hills Education Trust Limited on 1 September 2025 and from this date Hills Road Sixth Form College ceased to operate.

As such, the Trustees of Hills Education Trust Limited (acting as "the Corporation" for the purposes of approval of these financial statements) have

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Independent Auditor's Report to the Corporation of Hills Road Sixth Form College (continued)

Period 1 August 2024 to 31 August 2025

prepared the financial statements on a basis other than going concern. As disclosed, no adjustments were needed to the book values of the assets or liabilities of Hills Road Sixth Form College as a result of preparation of the financial statements under this basis. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, including the Report of the Corporation, other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters in relation to which the Framework and guide for external auditors and reporting accountants of colleges issued by the DfE requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Independent Auditor's Report to the Corporation of Hills Road Sixth
Form College (continued)
Period 1 August 2024 to 31 August 2025
Responsibilities of Governors

As explained more fully in the statement of responsibilities of members of the Corporation on page 24, the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with management, and from our knowledge and experience of the sector;

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Independent Auditor's Report to the Corporation of Hills Road Sixth
Form College (continued)
Period 1 August 2024 to 31 August 2025

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and the College, including the Further and Higher Education Act 1992, funding agreements with the DFE and associated funding rules, DFE regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Independent Auditor's Report to the Corporation of Hills Road Sixth
Form College (continued)
Period 1 August 2024 to 31 August 2025

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

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

Date 12 December 2025

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Independent Reporting Accountant's Report on Regularity
To: The Corporation of Hills Road Sixth Form College and the Secretary of State for Education

In accordance with the terms of our engagement letter and further to the requirements of Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Hills Road Sixth Form College and its subsidiary (collectively the 'Group') during the period 1 August 2024 to 31 August 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the Accounting Officer of Hills Road Sixth Form College and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2024 to 31 August 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Independent Reporting Accountant's Report on Regularity (continued)
To: The Corporation of Hills Road Sixth Form College and the Secretary
of State for Education

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed, and income received during the period 1 August 2024 to 31 August 2025 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Buzzacott Audit LLP

Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

12 December 2025

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Consolidated Statements of Comprehensive Income and Expenditure
Period ended 31 August 2025

		Period ended 31 Aug 2025	Year ended 31 July 2024
	Note	Group £000	College £000
INCOME			
Funding body grants	2	18,120	18,120
Tuition fees and Education contracts	3	620	620
Other income	4	1,531	1,349
Investment income	5	274	264
Donations and endowments	6	27	27
Total Income		20,572	20,380
EXPENDITURE			
Staff costs	7	14,730	14,730
Other operating expenses	8	4,000	3,984
Depreciation	12	1,246	1,246
Interest and other finance costs	10	87	87
Total Expenditure		20,063	20,047
Surplus on continuing operations after depreciation of assets at valuation and before tax		509	333
Surplus generated by subsidiary undertaking and transferred to the College under Gift Aid		-	176
Surplus on continuing operations after depreciation of assets at valuation and tax		509	502
Actuarial (loss)/gain in respect of pension schemes		(313)	(313)
Total comprehensive income for the year		196	273

The income and expenditure account relates to activities which were wholly discontinued on 1 September 2025.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Consolidated and College Statement of Changes in Reserves

Period ended 31 August 2025

	Income and expenditure account	Revaluation reserve	Restricted reserve	Total
Group				
Balance at 1 August 2023	14,514	3,598	41	18,153
Other comprehensive income	273	-	-	273
Transfers between revaluation and income and expenditure reserves	91	(91)	-	-
	364	(91)	-	273
Balance at 31 July 2024	14,878	3,507	41	18,426
Other comprehensive income	196	-	-	196
Transfers between revaluation and income and expenditure reserves	99	(99)	-	-
Total comprehensive income for the year	295	(99)	-	196
Balance at 31 August 2025	15,173	3,408	41	18,622
College				
Balance at 1 August 2023	14,496	3,598	41	18,135
Other comprehensive income	273	-	-	273
Transfers between revaluation and income and expenditure reserves	91	(91)	-	-
	364	(91)	-	273
Balance at 31 July 2024	14,860	3,507	41	18,408
Other comprehensive income	196	-	-	196
Transfers between revaluation and income and expenditure reserves	99	(99)	-	-
Total comprehensive income for the period	295	(99)	-	196
Balance at 31 August 2025	15,155	3,408	41	18,604

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

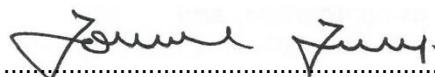
Balance Sheets as at 31 August 2025

	Note	Group	College	Group	College
		2025 £000	2025 £000	2024 £000	2024 £000
Non current assets					
Tangible fixed assets	12	25,084	25,084	25,527	25,527
		25,084	25,084	25,527	25,527
Current assets					
Stocks		13	12	15	15
Trade and other receivables	13	592	762	764	546
Investments	11	1	1	1	1
Cash and other equivalents	18	2,074	1,856	2,645	2,463
		2,680	2,631	3,425	3,025
Less Creditors: amounts falling due within one year	14	(1,987)	(1,956)	(2,484)	(2,102)
Net current assets		693	675	941	923
Total assets less current liabilities		25,777	25,759	26,468	26,450
Creditors: amounts falling due after more than one year	15	(7,155)	(7,155)	(8,042)	(8,042)
Provisions					
Defined benefit obligations	17	-	-	-	-
Total net assets		18,622	18,604	18,426	18,408
Restricted reserves					
Endowed funds		41	41	41	41
Total restricted reserves		41	41	41	41
Unrestricted Reserves					
Income and expenditure account		15,173	15,155	14,878	14,860
Revaluation reserve		3,408	3,408	3,507	3,507
Total unrestricted reserves		18,581	18,563	18,385	18,367
Total Reserves		18,622	18,604	18,426	18,408

The financial statements were approved by the Corporation and authorised for issue on 10 December 2025 and were signed on its behalf by:



Jane Stirling
Chair of the Trust



Ms Jo Trump
Principal and Accounting Officer

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Consolidated Statement of Cash Flows

Period ended 31 August 2025

	2025 £000	2024 £000
Cash flows from Operating Activities		
Surplus for the year	196	273
Adjustment for non-cash items		
Depreciation	1,246	1,008
Decrease (increase) in stocks	2	(7)
Decrease in debtors	172	122
Increase in creditors due within one year	(4)	123
Decrease in creditors due after one year	(201)	(164)
Pension costs less contributions payable	-	-
Adjustment for investing or financing activities		
Receipt of capital grants	(36)	(55)
Investment income	(86)	(155)
Interest payable	87	60
Net cash flows from operating activities	<u>1,376</u>	<u>1,205</u>
Cash flows from investing activities		
Receipt of capital grants	36	55
Investment income	86	155
(Decrease)/Increase in capital creditors	(392)	392
Additions to fixed assets less proceeds from disposals	(803)	(2,394)
	<u>(1,073)</u>	<u>(1,792)</u>
Cash flows from financing activities		
Interest paid	(87)	(60)
Repayments of amounts borrowed	(787)	(89)
	<u>(874)</u>	<u>(149)</u>
Decrease in cash and cash equivalents in the year	<u>(571)</u>	<u>(736)</u>
Cash and cash equivalents at beginning of the year	2,645	3,381
Cash and cash equivalents at end of the year	2,074	2,645

Analysis on changes in net debt

	As at 1 August 2024	Cash flows	Other non-cash changes	As at 31 Aug 2025
Cash	<u>2,645</u>	<u>(571)</u>	-	<u>2,074</u>
Loans falling due within one year	(109)	109	-	-
Loans falling due outside of one year	(678)	678	-	-
	<u>(787)</u>	<u>787</u>	-	-
Total	<u>1,858</u>	<u>216</u>	-	<u>2,074</u>

The notes on pages 37 to 58 form part of these financial statements

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts

1. Notes to the Accounts

Statement of Accounting Policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2024 to 2025* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements have been prepared for the 13-month period 1 August 2024 to 31 August 2025. Comparative information has been prepared for the year ended 31 July 2024.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Cantabrigian Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 August 2025.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying notes.

The College has a national reputation and is acknowledged as amongst the best in the country for successful outcomes from examination results and university progression. This, together with consistent oversubscription for student places, ensures that the College is maintained on a sound operational footing.

The College has a proactive approach to risk management, with senior managers tasked with identifying any new risks and monitoring and evaluating previously identified risks every term. The risk register is reviewed by the audit committee each

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

term and annually by the Corporation along with an annual presentation of a risk report. The financial position of the College is strong with diligent, qualified staff running the finances of the College, all carefully scrutinised and approved by the College Strategy Team, the Corporation and external auditors.

The College has paid off all loans.

Following its creation of a Multi Academy Trust on 1st September 2025, Hills Road Sixth Form College is no longer a going concern. Its assets, liabilities and activities were transferred to Hills Education Trust on this date and the College subsequently dissolved. The financial statements have therefore been prepared on a basis other than going concern. No adjustment has been required to the carrying value of assets or liabilities as a result of adopting this basis of accounting.

Recognition of income

Revenue Grant Funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits. 16-18 learner responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

Capital Grant Funding

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

Fee Income

Income from Tuition Fees is recognised in the period for which it is receivable and includes all fees chargeable to students or to their sponsors.

Investment Income

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Cambridgeshire Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Short term Employment benefits

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

Enhanced Pensions

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

Non-current Assets - Tangible fixed assets

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

Land and buildings

The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation based on depreciated replacement cost. Land and buildings acquired since incorporation are included in the balance sheet at cost inclusive of any irrecoverable VAT. Freehold land is not depreciated as it is considered to have an infinite useful life.

The main College buildings are depreciated over their expected useful economic life to the College of either 60 years or 40 years. Photo-voltaic cells are depreciated over 25 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as explained in Recognition of Income above.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1992 as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 August 2025. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to expenditure in the period it is incurred, unless it increases

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Equipment is depreciated over its useful economic life using the straight-line method.

The capital areas are depreciated as follows:

Equipment	10 years	straight line
Furniture	10 years	straight line
Audio Visual equipment	5 years	straight line
Reprographics equipment	5 years	straight line
I.T. equipment	5 years	straight line
Sports Equipment	5 years	straight line

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

Borrowing costs

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

Leased assets

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

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

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

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

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Investments

Investments in subsidiaries

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

Other investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Inventories

Inventories are stated at the lower of their cost (using the first in, first out (FIFO) method) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- *Estimating future income and expenditure for the purpose of assessing going concern.*

Management review budgets, forecasts and actual results in the months after the date of these accounts to determine the going concern assessment.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Notes to the Accounts (continued)

2. Funding Body Grants

	Period ended 31 Aug		Year ended 31 July	
	2025 Group £000	2025 College £000	2024 Group £000	2024 College £000
Recurrent grants				
ESFA/DfE 16-18 Funding	16,951	16,951	15,090	15,090
16-19 Tuition Fund	-	-	8	8
Devolved Formula Capital Funding	169	169	78	78
Free School Meals Funding	97	97	65	65
Specific grants				
Post-16 Capacity Funding	-	-	-	-
Local Skills Improvement Fund	6	6	15	15
Teachers' Pension Employer Contribution grant	582	582	-	-
National Insurance Contributions grant	107	107	-	-
Release of government capital grants	208	208	191	191
Total	18,120	18,120	15,447	15,447

3. Tuition Fees and Education Contracts

	Period ended 31 Aug		Year ended 31 July	
	2025 Group £000	2025 College £000	2024 Group £000	2024 College £000
Adult education fees				
Music tuition fees	407	407	386	386
Total tuition fees	42	42	26	26
Education contracts	449	449	412	412
Total	171	171	108	108
Total	620	620	520	520

4. Other Income

	Period ended 31 Aug		Year ended 31 July	
	2025 Group £000	2025 College £000	2024 Group £000	2024 College £000
Release of deferred capital grants (non funding body)				
Catering and residence operations	28	28	26	26
Other income generating activities	183	174	71	64
Exam fees	671	41	512	24
Educational visits income	111	111	91	91
Other income	314	314	301	301
Other income from Sports and Tennis Centre	224	224	402	402
Total	-	457	-	314
Total	1,531	1,349	1,403	1,222

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

5. Investment Income

	Period ended 31 Aug		Year ended 31 July	
	2025 Group £000	2025 College £000	2024 Group £000	2024 College £000
Bank interest receivable	86	76	155	155
Pension interest receivable	188	188	116	116
Total	274	264	271	271

6. Donations – Group and College

	2025 £000	2024 £000
Unrestricted donations	27	1
Total	27	1

7. Staff Costs

The average monthly number of persons (including senior post holders) employed by the College during the year, expressed on a headcount basis, was:

	2025 No.	2024 No.
Teaching staff	216	215
Non-teaching staff	183	162
	399	377

The average monthly number of persons (including senior post holders) employed by the College during the year, expressed on a FTE basis, was:

	2025 No.	2024 No.
Teaching staff	138	107
Non-teaching staff	138	121
	276	228

	2025 £000	2024 £000
Wages and salaries	10,963	9,362
Social security costs	1,174	912
Other pension costs (including FRS 102 (28) adjustments of a £125,000 reduction, 2022-23: £113,000 reduction)- see note 21	2,593	2,026
	14,730	12,300

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Strategy Team which comprises the Principal, Deputy Principal, Vice Principal – Staff & Student Learning, Vice Principal – Student Progression & Support, Chief Financial Officer and Chief Operating Officer.

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

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was:	6	5

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

	Key management personnel (FTE)		Other staff (FTE)	
	2025	2024	2025	2024
	No.	No.	No.	No.
£60,001 to £65,000 p.a.	-	-	2	5
£65,001 to £70,000 p.a.	-	-	5	2
£70,001 to £75,000 p.a.	-	3	2	-
£75,001 to £80,000 p.a.	1	-	-	-
£80,001 to £85,000 p.a.	2	-	-	-
£85,001 to £90,000 p.a.	-	1	-	-
£90,001 to £95,000 p.a.	1	-	-	-
£95,001 to £100,000 p.a.	1	-	-	-
£130,001 to £135,000 p.a.	-	1	-	-
£140,001 to £145,000 p.a.	1	-	-	-
	6	5	9	7

Key management personnel emoluments are made up as follows:

	2025 £000	2024 £000
Salaries – gross of salary sacrifice and waived emoluments	549	449
Employers National Insurance	71	56
Benefits in kind	-	-
	620	505
Pension contributions	134	101
Total emoluments	754	606

There are salary sacrifice arrangements in place in respect of cycle scheme and childcare vouchers. Where applicable these have been included gross in salaries.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2025 £000	2024 £000
Salaries	155	134
Employer's National Insurance	21	17
Benefits in kind	-	-
	<u>176</u>	<u>151</u>
Pension contributions	43	34
Total emoluments	219	185

The remuneration package of key management staff, including the Accounting Officer, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Accounting Officer reports to the Chair of the Trust, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Accounting Officer pay and remuneration expressed as a multiple.

	2025	2024
Basic salary as a multiple of the median of all staff	3.0	3.0
Total remuneration as a multiple of the median of all staff	3.0	3.0

The Members of the Trust other than the Principal and the Staff Members did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

8. Other Operating Expenses

	2025 Group £000	2025 College £000	2024 Group £000	2024 College £000
Teaching departments	266	266	287	287
Teaching support services	441	441	379	379
Other support services	163	146	81	81
Administration and central services	724	671	495	472
General education	733	739	831	871
Premises costs:				
Running costs	544	605	401	444
Maintenance	475	398	267	216
Rents and Leases	-	-	1	1
Planned maintenance	222	222	200	200
Minor internal buildings work	5	5	260	260
Catering and residence operations	114	114	49	43
Educational visits	329	329	301	301
Other expenses	(16)	48	220	223
	<u>4,000</u>	<u>3,984</u>	<u>3,772</u>	<u>3,778</u>

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Notes to the Accounts (continued)

	2025 £000	2024 £000
Other operating expenses include:		
External auditor's remuneration (excluding VAT):		
financial statements audit	25	20
other services	3	3
Internal auditor's remuneration	10	12
Depreciation	1,246	1,008
Hire of assets under operating leases	<u>143</u>	<u>81</u>

9. Write offs, losses, guarantees, letter of comfort, compensation

Colleges were classified to the central government sector with effect from 29 November 2023. The College is required to disclose the following:

	2025 £000	2024 £000
Write-offs and losses	-	-
Guarantees, letters of comfort and indemnities	-	-
Severance, compensation payments and ex-gratia payments	20	21
Novel, contentious and repercussive transactions	-	-
Transactions with governors/trustees	-	-
	<u>20</u>	<u>21</u>

None of the transactions reported above required consent from the Department for Education.

10. Interest and other finance costs – Group and College

	2025 £000	2024 £000
On bank loans, overdrafts and other loans	87	60
Pension finance costs (note 20)	-	-
	<u>87</u>	<u>60</u>

11. Investments – Group and College

	Investments £000	Total £000
At 1 August 2024	1	1
At 31 August 2025	<u>1</u>	<u>1</u>

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Notes to the Accounts (continued)

Investments represent £1,000 capital invested in Government bonds. In addition, the Corporation of the College owns 100% of the issued Ordinary Shares of Cantabrigian Limited, a company incorporated in England and Wales, at a cost of £2. The principal business activity of Cantabrigian Limited is to help its parent further education corporation in the delivery of its principal objectives and to carry on business as a Sports Centre, with such facilities and accommodation for indoor and outdoor sports or games, changing rooms, refreshments and other amenities as may be thought fit. Cantabrigian annually remits its profits to Hills Road Sixth Form College via gift aid and retains net assets of £15,000 on its Balance Sheet.

12. Tangible Fixed Assets – Group and College

	Freehold land and buildings £000	Assets under construction £000	Equipment £000	Total £000
Cost or valuation				
At 1 August 2024	33,693	559	7,930	42,182
Additions	137	-	666	803
Transfer between classes	559	(559)	-	-
At 31 August 2025	34,389	-	8,596	42,985
Depreciation				
At 1 August 2024	10,728	-	5,927	16,655
Charge for the year	670	-	576	1,246
At 31 August 2025	11,398	-	6,503	17,901
Net book value				
At 31 August 2025	22,991	-	2,093	25,084
At 31 July 2024	22,965	559	2,003	25,527
Financed by:				
Capital grant	7,257	-	116	7,373
Inherited	3,407	-	-	3,407
Other	12,327	-	1,977	14,304
	22,991	-	2,093	25,084

The carrying values of the Fixed Assets are recorded in accordance with the historical cost convention.

The deemed cost as at the date of transfer of inherited land and buildings was based on depreciated replacement cost.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

If inherited land and buildings and equipment had not been valued, they would have been included on the historical cost basis at the following amounts:

	£000
Cost	-
Aggregate depreciation based on cost	<u> </u>
Net book value based on cost	<u> </u>

Land, buildings and equipment with a net book value of £3,407,000 have been funded from Department of Education sources. Should these assets be sold, the College would either have to surrender the sale proceeds to the Department of Education or use them in accordance with the financial memorandum with the Department of Education.

Fixed assets include land and buildings with a net book value of £2,512,000 which have been partially funded by a grant of £1,789,000 from the Further Education Funding Council; land and buildings with a net book value of £3,429,000 and £327,000 which have been partially funded by grants from the Learning and Skills Council of £1,737,000 and £321,000 respectively; land and buildings with a net book value of £787,000 which have been partially funded by a Building Condition Improvement fund grant from the Young People's Learning Agency of £108,000; land and buildings with a net book value of £3,760,000 which have been partially funded by a Building Condition Improvement fund grant of £1,492,000; land and buildings with a net book value of £532,000 which have been partially funded by a Condition Improvement fund grant of £302,000; land and buildings with a net book value of £369,000 and £3,287,000 which have been partially funded by a Post-16 Capacity fund grants of £325,000 and £2,142,000.

Should these assets be sold, the College would either have to surrender the sale proceeds to the Department for Education or use them in accordance with the financial memorandum with the Department for Education.

13. Trade and other receivables

Amounts falling due within one year	Group	College	Group	College
	2025	2025	2024	2024
	£000	£000	£000	£000
Trade receivables	105	87	113	100
Amounts owed by group undertakings	-	308	-	212
Prepayments and accrued income	<u>487</u>	<u>367</u>	<u>651</u>	<u>234</u>
	<u><u>592</u></u>	<u><u>762</u></u>	<u><u>764</u></u>	<u><u>546</u></u>

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

14. Creditors: Amounts Falling Due Within One Year

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Bank loan	-	-	101	101
Trade payables	210	207	572	566
Other taxation and social security	589	589	509	501
Accruals and deferred income	263	235	676	326
Holiday pay accrual	25	25	68	68
Deferred income – government capital grants	218	218	217	217
Deferred income – government funding	523	523	-	-
Payments received in advance	159	159	341	323
Total	1,987	1,956	2,484	2,102

15. Creditors: Amounts Falling Due After More Than One Year

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Bank loans	-	-	686	686
Deferred income – government capital grants	7,155	7,155	7,356	7,356
Total	7,155	7,155	8,042	8,042

16. Maturity of debt

Bank loans and overdrafts

Barclays bank loan is repayable as follows:	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
In one year or less	-	-	101	101
Between one and two years	-	-	686	686
Total	-	-	787	787

The College has repaid all loans.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

17. Provisions

	Defined benefit obligations £000	Total £000
At 1 August 2024	-	-
Expenditure in the period	(834)	(834)
Additions in period	521	521
Actuarial movement	313	313
At 31 August 2025	-	-

Defined benefit obligations relates to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 21.

18. Cash and cash equivalents (Group)

	At 1 August 2024 £000	Cash flows £000	Other changes £000	At 31 Aug 2025 £000
Cash and cash equivalents	2,645	(571)	-	2,074
Total	2,645	(571)	-	2,074

19. Capital and other commitments

	Group and College	
	2025 £000	2024 £000
Commitments contracted for at period end	-	746

20. Lease obligations

At The reporting date the Group had minimum lease payments under non-cancellable operating leases as follows:

Future minimum lease payments due	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Not later than one year	82	81	45	36
Later than one year and not later than five years	168	168	35	35
Total	250	249	81	71

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

21. Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Cambridgeshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridge County Council. Both are multi-employer defined-benefit plans.

Total pension cost for the year	2025	2024
	£000	£000
Teachers' Pension Scheme contributions paid	1,884	1,336
Local Government Pension Scheme:		
Contributions paid	834	803
FRS 102 (28) charge	<u>(125)</u>	<u>(113)</u>
Charge to the Statement of Comprehensive Income	709	690
Total Pension Cost for Year within staff costs	<hr/>	<hr/>
	<u>2,593</u>	<u>2,026</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2020 and the LGPS 31 March 2022. Contributions amounting to nil (2023-24: £nil) were payable to the schemes at 31 August and are included in creditors.

Teachers' Pension Scheme (TPS)

Introduction

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

The Teachers' Pension Budgeting And Valuation Account

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Valuation of The Teachers' Pension Scheme

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates rose to 28.68% from April 2024 onwards (compared to 23.68% during 2018-19). DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023-24 academic year.

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

The pension costs paid to TPS in the year amounted to £1,884,000 (2023-24: £1,336,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Cambridgeshire Local Authority. The total contributions made for the year ended 31 August 2025 were £1,070,000, of which employer's contributions totalled £834,000 and employees' contributions totalled £236,000. The agreed contribution rates for forthcoming year are 23.9% for employers and range from 5.5% to 9.9% for employees, depending on salary according to a national scale.

Where the scheme is estimated to be in a surplus position, under the reporting provisions of FRS 102, the College is only able to recognise the surplus as to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As the College does not anticipate being able to recover the surplus in the aforementioned manner, the surplus is not recognised on the balance sheet, and a corresponding adjustment is made within other recognised gains and losses on the Consolidated Statements of Comprehensive Income and Expenditure (as an actuarial loss) to bring the net LGPS position to £nil on the balance sheet.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2023 updated to 31 August 2025 by a qualified independent actuary.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS
Notes to the Accounts (continued)

	At	At
	31 Aug	31 July
	2025	2024
Rate of increase in salaries	3.20%	3.25%
Future pensions increases	2.70%	2.75%
Discount rate for scheme liabilities	6.05%	5.00%

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

	At 31	At 31
	Aug	July
	2025	2024
	Years	years
<i>Retiring today</i>		
Males	21.4	21.2
Females	24.6	24.5
<i>Retiring in 20 years</i>		
Males	22.3	22.0
Females	26.1	26.0

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

	Fair	Fair
	Value	Value
	at 31	at 31
	Aug	July
	2025	2024
	£000	£000
Equity instruments	11,721	10,363
Debt instruments	4,569	4,363
Property	3,178	3,091
Cash	398	364
Total fair value of plan assets	19,866	18,181
 Weighted average expected long term rate of return	 5.0%	 5.1%
 Actual return on plan assets	 10.3%	 3.3%

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

	2025	2024
	£000	£000
Fair value of plan assets	19,866	18,181
Present value of plan liabilities	(12,951)	(14,767)
Actuarial adjustments to cap net asset position		
- Brought forward from prior year		-
- Adjustment in current year	6,915	3,414
Net pensions liability	-	-

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

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

	2025 £000	2024 £000
Amounts included in staff costs		
Current service cost	709	690
Past service cost	-	-
Total	709	690

Amounts recognised in Investment Income/ (Interest and other finance costs)

Total net interest (income)/cost	(188)	(116)
	(188)	(116)

Amount recognised in Other Comprehensive Income

Actuarial movement from last year	3,414	2,244
Return on pension plan assets	16	758
Changes in assumptions underlying the present value of plan liabilities	3,087	618
Other experience	145	(465)
Changes in demographic assumptions	(60)	30
Actuarial movement*	<u>(6,915)</u>	<u>(3,414)</u>
Amount recognised in Other Comprehensive Income	(313)	(229)

Movement in net defined benefit liability during year

	2024 £000	2024 £000
Net defined benefit (liability) in scheme at 1 August	-	-
Movement in year:		
Current service cost	(709)	(690)
Employer contributions	834	803
Net interest on the defined (liability)/asset	188	116
Actuarial loss	3,188	941
Actuarial adjustments to cap net asset position*	<u>(3,501)</u>	<u>(1,170)</u>
Net defined benefit liability at 31 August	-	-

* As the LGPS surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £6,915k has been offset against the overall actuarial gain for the year.

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

Asset and Liability Reconciliation

	2025 £000	2024 £000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	14,767	13,725
Current service cost	709	690
Interest cost	815	706
Contributions by scheme participants	236	211
Changes in financial assumptions	(3087)	(618)
Changes in demographic assumptions	60	(30)
Other Experience	(145)	465
Estimated benefits paid	(404)	(382)
Defined benefit obligations at end of period	<u>12,951</u>	<u>14,767</u>
 Changes in fair value of plan assets		
Fair value of plan assets at start of period	18,181	15,969
Interest on plan assets	1,003	822
Return on plan assets	16	758
Other experience	-	-
Employer contributions	834	803
Contributions by scheme participants	236	211
Estimated benefits paid	(404)	(382)
Fair value of plan assets at end of period	<u>19,866</u>	<u>18,181</u>

22. Related Party Transactions

Due to the nature of the College's operations and the composition of the Corporation (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a Member of the Corporation may have an interest. All transactions involving organisations in which a Member of the Corporation may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed.

Transactions with the DfE are detailed in note 2.

No travel and subsistence expenses and other out of pocket expenses were incurred by any member of the Corporation in attending Corporation meetings and charity events in their official capacity.

No member of the Corporation has received any remuneration or waived payments from the College or its subsidiaries during the period (2023-24 none).

HILLS ROAD SIXTH FORM COLLEGE GROUP ACCOUNTS

Notes to the Accounts (continued)

The following intra-group transactions took place during the period:

	2025 £000	2024 £000
Recharges from the College to Cantabrigian Limited	550	384
Recharges from Cantabrigian Limited to the College	182	214

Intra-group balances are detailed in note 13.

23. Events after the reporting period

Following its creation of a Multi Academy Trust on 1st September 2025, Hills Road Sixth Form College is no longer a going concern. Its assets, liabilities and activities were transferred to Hills Education Trust on this date and the College subsequently dissolved.

24. Amounts disbursed as agent

	2025 £000	2024 £000
Balance unspent at 31 August 2025	161	64
Funding body grants – bursary support	289	175
	450	239
Disbursed to students	(59)	(69)
Administration costs	(9)	(9)
	382	161

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