

The City and Guilds of London Institute

Trustees' *Annual Report*

& Consolidated Financial Statements for the year ended 31 August 2024



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Chair's Statement

Dame Ann Limb DBE DL FCGI
Chair

City & Guilds has been proud to celebrate and champion the potential that investment in skills can bring, both in the UK and internationally. In doing so, we have been loud in our calls for more collaboration between learner, industry and state, seeing each as a crucial part of an integrated system that can address local skills shortages, regional inequity and deliver for all.

In the UK, as a new Government takes office there is a chance to address inequity through access to skills and develop locally determined solutions through the lens of devolution. At City & Guilds we know that the equation between skills, individual prosperity and place-based outcomes are inextricably linked. This year, I am delighted that we can report that in the UK alone we, together with our partners, colleges and students, have delivered £15.3bn worth of social and economic value through skills, and up from last year's £11.2bn. This is testament to the transformative power of skills in unlocking opportunities for individuals, enhancing the outcomes of organisations and creating a better society with impact at the heart.

With the concept of 'one-job' for life now very much a thing of the past it is inspiring to see how City & Guilds solutions are helping people move into new sectors, train and retrain for skills and knowledge at all stages of their working life. Alongside this, the need for employers to access the skills that match their evolving business models continues to grow. And as the demands of learning and industries change, we too are adapting our offers with regular reviews to continue to reflect market demands.

The World Economic Forum's *Future of Jobs* report highlighted the importance of this in 2023, forecasting that by 2027 69 million new jobs would be created and 83 million eliminated.

City & Guilds is well placed through our alignment with Governments, industries and learners to create the solutions and standards needed for skills to remain relevant and rewarding for all.



It has been heartening in the last year to see more organisations step forward to share their skills stories through our Princess Royal Training Awards (PRTA). It was wonderful to see a cross-section of some 700 employers now in the PRTA alumni, come together to share these stories and practice at our inaugural Skills Share event earlier this year. This year 52 award recipients have joined our network of outstanding employers who have demonstrated excellence in training and development through the programme. We look forward to celebrating with them and the wider PRTA network later in the year, as we commence celebrations to mark ten years of this prestigious programme for industry and skills.

As Chair, I am clear that City & Guilds has a central role to play in amplifying skills and best practice. This is even more important as we look to harness the benefits of digital advancement for training and development and consider how Artificial Intelligence can increase access to skills. There are, of course, also challenges from AI that we must address. We are mindful that for some communities experiencing digital exclusion, there may need to be further adaptations. We are also conscious of risks posed by technology including for our carbon footprint and net zero commitments, as we look to deliver our offer through online platforms. There are applications where we can move forward and are already doing so, including immersive virtual work experience to interactive online courses, where AI and technology is not only enhancing curriculum delivery but also fostering connections across diverse communities and geographies and presenting a new way of learning for life. We continue to explore broader opportunities with partners to expand our offering to learners across the world and are looking at appropriate ways to leverage investment into those growth markets where we can have even more sustainable scale through skills development.

As we look to the year ahead, I know that there will inevitably be further headwinds. Not least, driven by regulatory reform, changing markets and learner demand – yet I am confident that with



our long-term strategy to reach many more learners and equip them with lifelong learning for lifelong employability, we will not only meet those headwinds but also take our position as a global leader in skills development to scale our purpose and to deliver for more people, organisations and economies around the world. As we do that, I want to take this opportunity to extend my heartfelt gratitude to all the employees inside City & Guilds, to members of the Board and Council and our many partners and supporters, that work so hard with us to help improve outcomes for so many, through the power of learning and access to skills. ●

Dame Ann Limb DBE CBE DL
FCGI
Chair



52

award recipients have joined our network of outstanding employers

“In the UK alone we, together with our partners, colleges and students, have delivered £15.3bn worth of social and economic value through skills.



CEO Statement

Kirstie Donnelly MBE, CEO, City & Guilds



We are one year into our new operating model launched last year and are now starting to see the benefits of closer collaboration across our whole organisation and focus on a One City & Guilds strategy. This is important as we look to meet market opportunity and offer our services to an increasingly complex world.

As an organisation with over 145 years of history, we have seen change before, we have adapted to it, harnessed it and utilised it to ensure we flex and shape our offer to industry, Government, learner and societal need.

This year, with the election of a new UK Government there is an opportunity for new perspectives that can bring lasting positive change. This is much needed, as identified by our year-long research project with the Learning & Work Institute. The report makes a compelling case for greater investment in skills, both in terms of the improvements to productivity this will bring and in averting a 'skills divide' which threatens to limit opportunities and living standards for future generations. Unless we start to take investment in skills seriously, the report shows that the UK is on track to be 12th out of 39 OECD countries for low qualifications by 2035. Yet, we know at City & Guilds, the outcome and impact investment in skills can bring. Not only for individuals but for the economy and for society. It can change fortunes and as so often quoted – 'skills change lives'.

This year, we were excited to receive further funding from the Department for Education to deliver wave four of Skills Bootcamps across England over the next two years, offering free and flexible courses lasting up to 16 weeks for learners to gain skills for the first time or to re-train. As the largest Government provider of bootcamps, we believe they offer a chance to address skills shortages and help learners potentially move directly into jobs. In our rail related bootcamps alone we have seen 93% of participants go on to a job within six months.

'Skills Change Lives'



results and assessments were delivered to learners over the last year.



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UK is on track to be 12th out of 39 OECD countries for low qualifications by 2035

I am also pleased to report that this year we had another successful summer exam series with teams across the awarding organisation part of the organisation working tirelessly to enable this. A total of 1.1 million results and assessments were delivered to learners.



Through our foundation, part of The City and Guilds of London Institute, we have stepped up our support for refugees to develop the skills and support needed to integrate into a new society and overcome barriers into work. This perhaps takes on even more significance when we factor in the tensions that exist around immigration and how our work is proving to be a force for good. In the past two years our funding (of approximately £250,000) has directly reached 445 people through targeted partnerships with five grassroots charities who have been supported with a combination of training, education and wraparound care. And already this work has delivered £2.6m return to society, over £11 social return on investment for every £1 spent.

As a 'voice for skills' with access to a range of networks of influence, from employers, learners, policy makers, industry leaders and our Fellows – City & Guilds is well placed to champion skills. Our Party Conference activity is giving skills a prominent platform for the sector and employers to come together at the Skills Hub. With over 18 successful events, many employer partners pledging their support and a cross section of politicians contributing to debate ahead of the election, we are confident that our activities at conference placed skills on the political map at an important time. We look forward to continuing those activities and making the case for the life changing power of skills.

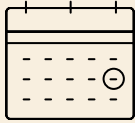
As we look ahead, our purpose, to help more people get into a job and onto the next job, feels ever more needed if we are to support greater equity, productivity and harmony in our communities. Our unwavering focus on outcomes has given us greater insight for the first time into the scale of the impact our products and services have directly on learner confidence, outcomes and wellbeing, which are essential ingredients to sustained employment and thriving communities.



Through our foundation

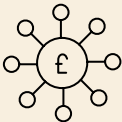
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250k



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spent.

I am especially proud to share that our latest impact research tells us that City & Guilds learners see greater progression than others in the market, with 76% progressing into further education or work, 9% more than elsewhere. This underlines the role and impact of City and Guilds to learners and the UK economy.

We know it matters to employers, who are increasingly focussed on training and development that our offer to support their workforce throughout their careers, from entry level to the later stages of leadership development is valued and appreciated. City & Guilds partners with employers to help design, deliver, assess and certify learning programmes that meet their skills needs both today and for tomorrow. Working with organisations like Network Rail, we continue to evolve our offer from early stage career options to those wanting to retrain and advance their skills as they grow in industry. With Keltbray, we have been working to advance Health and Safety standards and continue to explore how learning can better equip workers in the construction industry with heightened resilience at times of pressure. And at the close of the year we were pleased to be awarded a seven year contract working with the Ministry of Justice, starting in October 2025. We will be supporting learners in critical areas such as Maths and English, Hospitality, Engineering and Transport with a potential to expand into other qualifications in the future.

It is our continued ambition to deliver skills to more people, across the UK and the rest of the world and to support solutions for industries that rely



on a skilled workforce. More than ever, the current macro and micro socioeconomic climate presents an opportunity for collaboration on a regional, national and international level. As Chief Executive I am clear that City & Guilds will endeavour to scale its offer to more people, communities and nations globally, and will look to leverage partnerships and investment in innovation around AI and digital technologies to do so.

I want to thank all colleagues at City & Guilds for making so many life-changing opportunities available for people and industry through skills. And as I look to the future we will be working with partners and supporters, to help even more learners succeed in an increasingly connected world.

Kirstie Donnelly MBE, CEO, City & Guilds

“As we look ahead, our purpose, to help more people get into a job and onto the next job, feels ever more needed if we are to support greater equity, productivity and harmony in our communities.”



Our latest Impact Report

Our Strategy

A strategy for growth driven by a unified purpose to help more people progress onto a job, on the job and into the next job.



Overall context

A continued period of economic, social and political change, combined with strategic changes within the organisation, has meant a tough operating year that we know is not an uncommon theme for industry as a whole. Yet, following our strategic plan, we have seen growth contributing to a good outturn as we go into FY25. We continue to prepare for market challenge and opportunity guided by responsible resource management, innovation and maximising our offer to learners with a greater impact to get more people into jobs. As we look

to further growth, we do so with the knowledge that surplus created from our activities is used to support those often furthest from the labour market by funding programmes through our foundation, part of The City and Guilds London Institute. As well as supporting individuals directly, our programmes of work include the Princess Royal Training Awards which engage hundreds of employers, supporting them to develop excellence in skills and achieve recognition in industry for these standards.

At City & Guilds we work with people to ...

Inspire

Improve

Achieve

Trust

Market focus for growth

Over the last year, we have conducted a review of our product portfolio and the teams supporting its delivery. We will be using the review to focus our efforts towards growing markets, addressing industry need and learner demand. As we do that, we are looking to international markets as well as those in the UK to understand where we may be able to achieve greater impact for learners around the world.

As we do this, we must be considerate of the review of technical vocational qualifications which both create opportunity as well as uncertainty and risk. Taking our position as a leader and trusted provider of Bootcamps, Apprenticeships and T Levels will help us to define the future of these important qualifications for City & Guilds and our learners. As we do this, we are considerate of employer needs, so that skills match workforce and business requirements. Our *Productivity Research* to be launched later in the year will look at this more deeply, making recommendations to accelerate local opportunities through skills.

We are transforming our organisation to better serve our customers and learners

This year we have made a seminal change in the bringing together of our training delivery offer, creating more opportunities for learners to maximise opportunities to reskill. To support this, the past year has seen a continued focus on aligning our diverse brands, and teams, with the aim of creating and delivering a unified One City & Guilds proposition.

By bringing together all our assets, we are targeting our actions to provide a more consistent customer experience, making it easier for learners to benefit from our suite of skills solutions across the entirety of the value chain.

We continue to focus on the learner and customer experience. Through in-depth qualitative customer research, detailed data analysis and competitor reviews, we have developed our brand and customer experience strategy which is aligned to our strategic business plans and to achieve growth. We are focusing on building our brand awareness with employers from the current 70% and will monitor this year on year to ensure continued connections between our brand, market awareness and learner outcomes.

We were delighted that this year Gen2 has been awarded a 'Good' rating by Ofsted, making all training business offers now a consistent 'Good' rating overall.

Lifelong learning

As one of the few organisations with relationships across Governments, industries and learners, with learning offers fit for every stage of career, we see the power of skills to change lives, within communities and across nations.

As learning becomes increasingly employer-led and a lifelong endeavour, City & Guilds are well positioned to meet demands as they emerge, particularly in our growth sectors and identified markets where we have seen a particular skills shortage. We both assure employer programmes to offer quality assurance, insight and set standards and provide learners with access to learning for life. From Bootcamps at the

very early stage of career or as an opportunity to retrain through to Apprenticeships and then Leadership and Management.

Skills Bootcamps

Skills Bootcamps are an important part of the first stage of work for many. They offer free and flexible courses lasting up to 16 weeks, aimed at adults 19 years-old+, they provide learners with an opportunity to build up sector specific skills and fast-track to an interview with a local employer. These entry-level opportunities are working for City & Guilds learners, for example, 93% of those who participated in our rail industry bootcamps are in employment.



“The bootcamp for me really helped give me a smooth transition out of the military and then secure regular full-time work because of the skills and competency gained from the course. I’m now full-time with Vital, doing a minimum of 40 hours a week most weeks and regularly even more up to 60 hours. I told my friend about it, who was also leaving the military. Now, he’s completed boot camp and is working full-time with Vital as well.”

Intertrain Warrington, 2023

Apprenticeships

Probably our most-well known skills solution is apprenticeships – and these remain absolutely central to what we do; the impact of apprenticeships on lives, futures and social mobility is unmatched. This year we can report that 83% of City & Guilds trained apprentices are working in a job related to their qualifications within 3 months of completion. We also reached over 31,000 End Point Assessment completions. Through Gen2, we have been supporting learners to enter the engineering and manufacturing sectors, approximately 1,450 Apprentices in learning, with 300 higher education students in Financial Year 2023-24 (FY24). Our Ofsted inspection report this year commended Gen2's targeted, job-focused education programmes for young people, and the impact they have on helping them to enter employment and gain apprenticeships.

We are proactively seeking to maximise the potential of apprenticeships as a lever for change; in recognition of persistent underrepresentation, we have joined forces with Multicultural Apprenticeship Association to proactively spearhead Equity, Diversity, and Inclusion in apprenticeships and skills. We also continue to explore opportunities for SMEs to play their part and engage in dialogue with policy makers to make the most of levy reform which we know employers have been calling for.

T Levels

City & Guilds is a trusted skills partner, supporting the development of a suite of qualifications relevant for today and tomorrow's world. As one of the leading providers for T levels we have been working to both deliver these qualifications to their fullest and to inform their design and delivery model for the future. Having delivered the T Level from early in its development, we are well placed to apply our knowledge and expertise to steer how they can be a scalable and sustainable solution for Government, learners and industry as part of a broader suite of Level 3 qualifications.



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Leadership and Management

Developing our Leadership Offer has also been a key focus. Through The Oxford Group, we have created open access resources to support leaders and managers, covering topics such as managing hybrid teams and building trust and performance. We are proud again to see the tangible difference this makes; 27,524 people have received Leadership & Management Training & Coaching this year, with 89% of those on the 'Ready to Run' programme feeling confident by the end of the programme, with customers reporting some of their best financial performance to date following leadership training interventions.

In the case of Nordic Pharma, we supported the organisation to unify a dispersed workforce behind its sustainable growth plan. They engaged The Oxford Group to create a leadership development programme. The Leadership Essentials support received a Net Promoter Score of +53.85, with evaluation showing improvements across all 14 learning objectives. In 2023, Nordic Pharma enjoyed its best financial performance to date.

With more learners looking to learn for life, it makes sense that City & Guilds is developing leaders as well as providing entry point and early-stage career opportunities. In the last year, we have consolidated our approach to leadership and management and seen over 30% growth year on year in this area, pointing to the demand from industry that we will continue to support.

City & Guilds is a trusted skills partner, supporting the development of a suite of qualifications relevant for today and tomorrow's world.



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Net Promoter Score received for Leadership Essentials support created by The Oxford Group for Nordic Pharma



We have consolidated our approach to leadership and management and seen over 30% growth year on year

“We insulate houses, put solar panels on the roof and fit heat pumps. My job, once I’m fully qualified, will include ventilation, plumbing and electrical maintenance. I’m hoping to become an electrician, so that I can sign off all my own work for the company.”



“My course tutor’s been amazing – really helpful. Likewise, my fellow course mates, if I get stuck on something and they know the answer, they’re willing to step in and help me understand it, from their perspective. The training centre also seems like a great place to learn.”

Calum, Maintenance Lead at Clean Energy Nationwide



“I think it’s been a really positive experience for everyone involved, and I believe it will lead to only good things in the future. We look forward to future collaborations.”

Tim Weston, London South Bank, Technical College

Skills for sustainability

The transition towards a low carbon, green economy is essential for the future of our society. These solutions are meeting a growing demand for technical skills, driven by the pace of automation and the shift to a cleaner, carbon-free future, and by combining our deep knowledge of engineering, electrical and rail training we are creating new, innovative solutions to the ever-evolving societal needs.

At City & Guilds, we believe we have a key role for developing the skills needed to mitigate and adapt to the effects of climate change while creating sustainable growth opportunities for all.

This year, we provided 13,545 certifications in Green Skills in 363 centres, a 38% increase on City & Guilds qualified learners year on year.

We are committed to providing key qualifications to support the low carbon transition across the automotive, utilities and construction sectors, which will ensure that society is prepared for electric vehicles, new environmental technology systems, and evolving building standards. This work is supporting learners.

Our partnership with industry including Shell to develop a programme to support the EV charging industry, points to how important these skills are for both a sustainable workforce as well as a more sustainable world. Three colleges took part in the pilot: London Southbank Technical College, the University of Highlands and Islands Inverness College in Inverness and North East Scotland College in Aberdeen. Using a ‘train the trainer’ model, 9 tutors were upskilled and 27 apprentices trained. They reported improved practical skills, greater knowledge of the world of work and an opportunity to see potential career paths.

You can find out much more about the impact of our work in this space in our Impact report that reviews the extent we have increased societal capacity to deliver this change, including in EV charging, hydrogen and wider sustainability capabilities.

Heritage

We recognise this vital need to build skills for the future, but we also understand the need to protect the traditional skills that celebrate the cultural heritage of nations – the UK and beyond. That’s why we are actively involved with the King’s Foundation to build relationships with organisations in this field, including with QEST, the Heritage Craft Association and Historic England, as well as actively helping to address a widespread lack of diversity through a dedicated bursary fund for BAME learners. For the first time this year we brought 40 individuals across the sector and from a number of different regions and countries to talk

about how we can strengthen standards for heritage skills and drive solutions to influence positive change across the board. We look forward to continuing our role as a thought leader, helping to support skills from the past to remain opportunities for the future.



Infrastructure development and innovation

Much of what underpins our drive for an integrated, effective organisation are the processes, technologies and people that enable us to deliver our purpose. And with a 145 year+ history, there is inevitably some complexity that takes time to explore and update to current trends. Over the past year we have both focused on immediate needs, implementing significant enhancements to meet our commitments, whilst creating a comprehensive roadmap for our technological infrastructure that is essential to achieving our long-term strategic objectives.

We have made significant strides in strengthening our technology and operations to ensure greater resilience and scalability. We have progressed on reducing legacy technology and implemented robust systems and processes designed to enhance our operational resilience. Our

strategic initiatives have not only improved our efficiency but are also positioning us to respond swiftly to changing market demands.

A key focus has been on ensuring AI readiness and that any AI adoption is both responsible and ethical. We have reviewed and established our governance frameworks and partnered with industry leaders to explore AI solutions that prioritise data, privacy, fairness and transparency. In parallel, we have strengthened our strategic partnerships to support our scalability and growth objectives. By working closely with key technology providers, we have upgraded our data infrastructure enabling us to process larger volumes of data with greater speed and accuracy. This strategic approach ensures that City & Guilds strives to harness innovation while maintaining the highest standards of operational excellence.

As we look ahead, our commitment to responsible technology, AI readiness, data integrity and strategic partnerships that capitalise on commercial possibilities whilst maintaining ethical considerations will continue to drive our efforts, ensuring that City & Guilds is well-equipped to navigate the future with confidence, agility and impact at the heart of all we do. ●





A Responsible Business

We are a responsible business focused on our environment and social impact in the world

Our Responsible Business strategy focuses on three core pillars: people, product, and planet, reflecting our commitment to fostering a diverse, inclusive, and sustainable future. By concentrating on these areas, we aim to leverage our strengths to create significant, measurable impacts that benefit both our organisation, learners and wider society.



You can find a comprehensive overview and details of our progress against this strategy in our Responsible Business report, produced for the first time this year and aligned with Global Reporting Initiative standards.



please scan here for our Responsible Business Report.



10%

So far, we have reduced emissions by 10% against a baseline year of 2019.

We positively contribute by creating jobs and nurturing the skills organisations and economies need, which in turn enhances workforce capabilities and productivity.

This year, we developed our Ethical Framework, guiding how we work against best practice. In all we do, we are guided by our purpose and achieving impact in a responsible way. Our guiding principle is that as a charity we have a duty not to decline opportunities which will help us achieve our charitable objectives without good reasons for doing so. In line with our core purpose, we have a duty to upskill individuals, organisations and society in line with our strategy, wherever possible.

People

City & Guilds, as a service-based organisation, exerts a broad range of actual and potential impacts on the economy and society. We positively contribute by creating jobs and nurturing the skills organisations and economies need, which in turn enhances workforce capabilities and productivity.

We champion under-represented and groups experiencing disadvantage, advocating for more inclusive and equitable workforce environments. For our own employees, we are constantly pushing to create an inclusive and equitable culture in which all colleagues can thrive.

Our latest employee engagement survey had an 85% completion rate with an overall engagement score of 69%. Whilst we have made progress in some areas, there are some clear opportunities for us to work on more closely together and make improvements, particularly amongst employee groups that are in a neutral

category of engagement. Our focus will be on improving that experience to a shift to a more positive engagement score.

Over the last year, we have maintained our commitment to Diversity, Equity and Inclusion and indeed our Employee Engagement Survey shows again improvement for some groups, particularly those from ethnic minority backgrounds. This has been supported by concerted action with external partners to help assess and focus our efforts. For example, we worked with Flair; experts in race and ethnicity analytics to undertake a survey to understand the picture of racial equity across our organisation. We were pleased to achieve over 70% participation rates and will be working on areas highlighted for action. As we continue to support our people, we know we have more to do and will be focusing our efforts to ensure all who work for City & Guilds have the best possible experience of work during their time working for us.



Product

We understand the life changing link between skills development, social mobility, prosperity and success. We partner with our customers to deliver work-based learning programmes that build competency, to support better prospects for people, organisations and wider society.

Our commitment to Responsible Business principles is embedded in product design, development, and approval processes. We recognise that as a leader in education and vocational training, we have a unique opportunity and responsibility to shape a more sustainable future.

Over the past year we have continued to strengthen connections across our product portfolio and our commitments as a responsible business. This includes mandating that business case proposals for new products and services meet responsible business and social impact criteria, development of an inclusive curriculum framework to shape a common commitment to representation, social justice and equity and reinforced our Quality Assurance Model to ensure standards are applied accurately and consistently.



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Planet

City & Guilds contributes to climate change in different ways. In our operations, we consume energy to run our sites and offices and employees must travel to fulfil their roles and deliver our services to customers. Our biggest impact on the planet as a business is through the procurement of goods and services that enable us to fulfil our purpose to help people, organisations and economies develop their skills for growth. So far, we have reduced emissions by 10% against a baseline year of 2019. Our carbon reduction plan continues to monitor our progress against our commitment to strive towards net zero by 2040.

Beyond this, City & Guilds is well positioned to drive the structural changes required through creating the training and skills necessary for individuals and businesses to drive down carbon emissions and create growth in an environmentally positive way.

Our Impact

As a purpose-led organisation, we ensure that we deliver public benefit in everything we do, whether that's through our social investments guided by the work of our foundation, part of The City and Guilds of London Institute, or our revenue-generating activities. We showcase this impact through our dedicated Impact Report which is published annually in October.

Based on a framework developed in partnership with Cranfield University, this report enables us to assess, monitor and measure the impact of our activities against our Theory of Change, to make sure that we are delivering on our goals of creating secure and sustainable employment, helping to build successful organisations and a highly skilled and productive workforce. The report includes our impact in the UK as well as examples of where City & Guilds is supporting learners in international markets.

You can read the latest Impact Report on our website cityandguilds.com.



Our latest Impact Report

You can find out much more about the impact of our work in this space in our Impact report that reviews the extent we have increased societal capacity to deliver this change, including in EV charging, hydrogen and wider sustainability capabilities.



please scan here for our Impact Report.



CFO *Statement*

Abid Ismail, CFO, City & Guilds

After a tough trading year following macroeconomic challenges, we saw a turnaround year in Financial Year 2023-34 (FY24).



Our growth is driven by our desire to reach more learners and more sectors, spreading our impact across a wide portfolio of organisations.

We improved our financial profitability across the organisation, despite the backdrop of tough trading conditions and increasing compliance costs for our awarding operations. This has been guided by targets set in our annual business plan linked to supporting our organisational strategy founded on our purpose.

We saw a 9.5% income increase in FY24 from the previous year, driven by our further funding from the Department for Education to deliver wave four of skills bootcamps across England over the next two years. Added to this, the success of our end point assessments for apprentices, our contract win with Network Rail, and continued customer wins in leadership and management training have supported success.

We have continued to embed TradeSkills 4U across the organisation following our acquisition in November 2022, which contributed £9.2m of income in FY24. The continued

integration of TradeSkills 4U reflects our ever-growing target investment in markets where we can build our impact and benefit even more learners via skills development.

We have seen a return to a positive net income before other recognised gains and losses of £3.6m, a result of significant funding wins, increasing demand for our expertise as skills needs see more demands across the world, and a focus from City & Guilds to deliver and operationalise efficiencies. We have carefully monitored our operations to focus on streamlining these, allowing us to invest in our future operating model.

In the next financial year, we will continue to build on the successes of this year by continuing our growth plan with a target of 5% revenue growth year on year. Our growth is driven by our desire to reach more learners and more sectors, spreading our impact across a wide portfolio of organisations.



Key highlights from Financial Year 2023-24 (FY24)

Income and expenditure

Income of £174.1m increased 9.5% compared to last year, as a result of growth within our awarding organisation, skills bootcamp contracts, increasing demand for leadership and management training and a full year's income from TradeSkills 4U. We controlled our resources carefully and ended the year with expenditure on charitable activities, being expenditure in respect of education services and related support costs of £101.5m, up less than 1% compared to last year.

We achieved a net income of £3.6m, a £13.2m improvement compared to net expenditure of £9.6m last year, driven by the improved trading performance and returns from our investments.

The pension deficit under FRS102 has increased from £15.1m to £17.6m, incorporating a £5.7m actuarial loss during the year.

The net impact means that our net movement in funds for the year is a reduction of £2.4m compared to a reduction of £16.9m last year.

Cash flow

Cash from operating activities over the course of the year was £0.6m outflow compared to £8.8m outflow last year, driven largely by an improvement in trading results. Cash from investing activities reflected capital expenditure of £7.8m, up from £5.9m last year, with FY23 also using £5.2m of net cash for the acquisition of Trade Skills 4U. The net movement in cash for FY24 was a £9.4m outflow, leaving £14.9m of cash and cash equivalents at 31 August 2024.



Financial investments in funds

Our investment portfolio increased from £33.0m to £38.1m, stated after £1.0m of net additions due to the rebalancing of the portfolio that started in FY23, and a year of high returns which saw fair value gains of £4.1m.

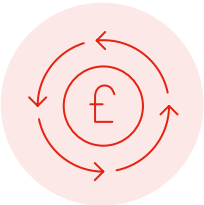
Going concern

Our financial planning process uses forecasts on a 5-year horizon and includes stress test scenarios, financial projections and cashflow projections to cover the period up to at least 12 months from the date of this report. Risks are actively monitored by the executive team and the scenarios have aligned with the risk register. This takes into consideration a range of macroeconomic scenarios, including the possibility of a recession, changes in government impacting sector funding and their potential impact on the various sources of income and planned expenditure.

These plans and projections have been developed on the basis of a range of scenarios, ensuring City & Guilds is prepared for different levels of potential impact and identifying mitigating actions that could be actioned. The scenarios used range from optimistic through to pessimistic case scenarios linked to our risk register in which there is disruption to activities caused by events such as a cyber

security attack. We have carefully considered the point at which cash reserves would fall below the minimum level necessary to maintain operations and this is considered to be an extremely remote possibility. In all projected scenarios, City & Guilds has sufficient cash, cash investments and reserves to maintain operations and consequently the Trustees have not identified any material uncertainties relating to going concern. As such, the Trustees are of the opinion that it is appropriate for the financial statements to be prepared on a going concern basis. ●

Abid Ismail, CFO



We have seen a return to a positive net income before other recognised gains and losses of £3.6m.

Structure, Governance and Management

Our constitution and charitable status: The Institute's purposes and administration are regulated by its Royal Charter (RC000117) granted on 26 October 1900, and the associated Supplemental Charters, Statutes, Ordinances and Standing Orders.

As stated in the Royal Charter, the Institute was "instituted exclusively for the purposes of all such branches of Science and the Fine Arts and for the advancement, dissemination, propagation, promotion, culture and application of all such branches of Science and the Fine Arts as benefit or are of use to or may benefit or be of use to productive and technical industries especially and to commerce and industry generally or any branch thereof and for the utilisation of such means as will promote the several exclusive purposes aforesaid". The main activities of the Institute are or relate to vocational education and training.

In the year ending 31 August 2021, a project was started to review and update the Constitution of the Institute to enable it to maximise the use of digital technology in its governance arrangements and to reflect its commitment to equity, diversity and inclusion. At the meeting of Council on 5 October 2023, the project was completed with adoption by Council of the revised Standing Order 7 (Awards).

The Institute is registered as a charity in England and Wales (312832) and in Scotland (SC039576). The Trustees have due regard to the Charity Commission

public benefit guidance when exercising any powers or duties to which it is relevant and take the view that the contents of this Report demonstrate that its requirements are met. The Office of the Scottish Charity Regulator (OSCR) expects the Trustees to include some narrative about the Institute's activities in Scotland. They are the same as in the rest of the United Kingdom. In Scotland, City & Guilds continues to support its customers (including approximately 20 colleges, 100 training providers and 5 Employers) through the delivery of a wide portfolio of products and services in 23 sectors such as leadership and management, hair, and building services and engineering. Our Scottish customers are supported by a Nations Business Development Manager.

The main activities of the Institute are or relate to vocational education and training.



Honorary Officers

Her Royal Highness The Princess Royal is the President of the Institute. The other Honorary Officers are the Vice-Presidents, the Treasurer (who is elected annually by the Members at the Yearly Meeting) and the Honorary Secretary (who is appointed by Council).

Members

The Institute has over 1,500 Members, to whom the board of Trustees ('Trustee Board') is accountable. There are five categories of Member: Ex-officio (the Lord Mayor of London for example), Honorary (including Fellows), Founder (the City of London Corporation and 109 livery companies), Ordinary, and Non-Corporate (holders of the MCGI award).

Council

Council's primary role is to appoint and advise the board of Trustees and, jointly with the Trustees, to act as guardian of the constitution. There are four categories of Councillor:

Ex-officio, Appointed (by the City of London Corporation and certain livery companies), Elected (by Members), and Co-opted (by Council itself). Appointed, Elected and Co-opted Councillors serve for limited terms.

Trustees

The Trustees have control of, and responsibility for, the affairs of the Institute. The Trustee Board consists of the Chair and Vice-Chair of Council, the Treasurer, the Honorary Secretary, and other Trustees appointed from and by Council on advice from the Remuneration and Nominations Committee. One quarter of the appointed Trustees retire every year and are eligible for re-appointment. The Trustee Board meets at least five times a year. Its meetings are presided over by the Chair or Vice-Chair of Council. Trustees undergo an induction process and receive updates and briefings on specific topics during their terms of office.

Under the constitution, the Trustees may be remunerated for professional services, and

the Chair of Council may also be remunerated for acting as Chair. Details of trustee expenses and any other benefits and remuneration can be found in the Financial Statements.

Secretary

The Secretary, who is appointed by the Trustees, is responsible, on behalf of the Trustee Board and Council, for ensuring compliance with the Constitution and is accountable to the Trustee Board and Council.

Committees

There are four Committees of the Trustee Board: the Audit and Risk Committee, the Foundation Committee, the Investment Committee, and the Remuneration and Nominations Committee.

Each Committee meets between two and four times a year, and the Chair of each Committee is a Trustee who reports to the Trustee Board on its activities.



Remuneration policy

The role of the Remuneration and Nominations Committee from a remuneration perspective is to decide remuneration policy, terms of employment and remuneration plan design for the Executive Leadership Team (ELT) including the Chief Executive Officer (CEO) and to confirm their salaries, individual incentive opportunity and pay-outs under the annual bonus plan. The Trustee Board considers the Committee’s members to be independent of the ELT. The members of the Committee during the financial year were Jane Gibbon (Chair), Andy Marchant, Ian Ailles and Frank Douglas. The Chair of the Institute Trustees (Ann Limb) and the Vice Chair (Kevin Baughan) are ex-officio members of the Committee. The Chair attends the meetings but where that is not possible the Vice Chair attends in her place. The Committee meets at least 3 times during the year, discussing a range of topics. The Committee also receives support from the Executive Director, People. The CEO attends meetings by invitation to provide input on the discussions regarding strategy and performance. No member of management is present when their own remuneration arrangements are discussed.

Details of remuneration paid to the ELT is disclosed in Note 14 to the financial statements. The Institute Trustees are not remunerated providing their services as trustees nor do they receive any other benefits. Details of reimbursed expenses claimed by Trustees is disclosed in Note 15 to the financial statements.

The Institute is non-profit making, and our mission is the achievement of our charitable objectives and fulfilment of our charter. At the same time most of our services are being sold and provided in a highly competitive and commercial marketplace in which we must either develop and grow or lose ground to stronger competitors. We need to make a healthy net surplus to allow reinvestment in the business to maintain the high-quality products for our learners, and to provide investment for growth. We also need to be able to recruit and retain talented staff. Consequently, the Committee has proposed and agreed with the Trustees a clear remuneration philosophy and set of principles to guide its decisions about executive remuneration. These require it to consider both market levels of remuneration and the economic and funding realities of the business and to provide appropriate variable reward to allow overall employment costs to be managed effectively and continue to enhance the focus on performance.

Gender and ethnicity pay

The Institute published its 2023-24 Gender Pay Gap Report which is available on our website at www.cityandguilds.com. It has also published its Ethnicity Pay Gap Report.

Quality and Standards Committee

The principal roles of the Quality and Standards Committee (“QSC”) are to monitor and advise on the policies, systems and processes that seek to maintain and enhance confidence in

the currency and credibility of the Institute’s assessment products and to monitor and advise on the effectiveness of the internal controls, risk identification and mitigation that affect the quality and standards of the Institute’s assessment portfolio. It also provides assurance to the Trustee Board of the quality and standards of the Institute’s assessment and qualifications and monitors and advises on the Institute’s on-going compliance with the requirements of the United Kingdom awarding regulators and other relevant statutory organisations. It is the final arbiter in appeals against decisions relating to qualification and assessments awarded and, in this activity, is independent of Council, the Trustee Board and the executive. The QSC meets four times a year but, if necessary, holds additional meetings to deal with its annual compliance review, appeals or any other matter.

Executive management

The executive management of the Institute is delegated to the Chief Executive Officer, who reports to the Trustees and Council. The Chief Executive Officer has all the powers not expressly reserved to the Trustees or Council or delegated by them to Committees: these powers may be exercised on her behalf by such members of staff as she determines. She works with and through an Executive Leadership Team, which deals with major strategic and operational issues and receives reports from representatives of the Institute’s divisions and subsidiaries. The affairs of the other subsidiaries are overseen by a managing director

(with or without a senior management team) or by their directors, depending on the extent and nature of their activities. The policies maintained by the Trustees and the governing bodies of the subsidiaries include a policy which sets out the limits of the authority given to people at different levels to commit to transactions by reference to their financial or other value.

Reference and administrative details

The City and Guilds of London Institute is a Royal Charter body (RC000117) and registered as a charity in England & Wales (Reg No: 312832) and Scotland (Reg No: SC039576). On page 37 of this Report are set out the address of its principal office, and the names of the Trustees as at the date on which this Report was approved, any other Trustees serving during the year ended 31 August 2024 the Secretary, the Chief Executive and other key management personnel as well as the principal bankers, investment managers, solicitors and auditors.

Other Names

The City and Guilds of London Institute has working names of City & Guilds and City & Guilds International. The City & Guilds foundation is the part of the Institute that has a specific focus on high impact social investment, recognition and advocacy programmes. ●

Financial Review

Income and assets

The Group

The Group's income for the year was £174.1m (2022-23: £159.0m). Of this 61% (2022-23: 62%) is classed as educational in the Financial Statements. The Group's expenditure was £174.6m (2022-23: £167.9m). Of this 58% (2022-23: 60%) is classed as educational in the Financial Statements. The educational components include income and expenditure from the Institute and City and Guilds International Limited. The Institute and City and Guilds International Limited are registered charities specialising in the education sector.

The Group's net income before other recognised gains and losses was £3.6m (2022-23: net expenditure £9.6m).

Funds decreased by £2.4m (2022-23: decrease of £16.9m). This movement included an actuarial loss in relation to the defined benefit pension scheme of £5.7m (2022-23: loss of £7.7m) and loss on revaluation of foreign currency net investments of £0.3m (2022-23: gain of £0.4m). There is more information about pensions on page 73 in this Report. The increase in funds is stated after a net gain on investment assets of £4.1m (2022-23: net loss of £0.7m).

The balance sheet value of the Group's net assets at 31 August 2024 was £84.1m (31 August 2023: £86.5m). Cash at the

end of the year was £14.9m in comparison with £24.3m last year. Cash outflows from operations was £0.6m, purchases of fixed assets was £7.8m and there was an outflow in cash from investments in funds of £1.0m. In the previous year there was an £11.5m net cash outflow related to the acquisition of TradeSkills 4U, including settlement of loan financing.

The Institute

The Institute's income was £101.6m (2022-23: £94.6m). Of this 100% (2022-23: 100%) is classed as educational in the Financial Statements. The Institute's expenditure was £100.0m (2022-23: £98.3m). Of this 100% (2022-23: 100%) is classed as educational in the Financial Statements.



Understanding the risks we face and managing them appropriately is important to City & Guilds

The Institute's net gain on investment assets and disposal of investments was £4.1m (2022-23: net loss of £0.7m) with an impairment charge against subsidiary investments of £12.5m (2022-23: £Nil). The Institute's net expenditure was £6.8m (2022-23: net expenditure of £4.4m).

Additions to net expenditure comprised mostly an actuarial loss in relation to the defined benefit pension scheme of £5.7m (2022-23: loss of £7.7m) to arrive at the net movement in funds, which decreased by £12.5m (2022-23: decreased by £11.8m). There is more information about pensions on page 73 in this Report. The balance sheet value of the Institute's net assets at 31 August 2024 was £99.0m (31 August 2023: £111.5m).

Other principal active members of the Group

The results of the other principal active members of the Group can be found in note 7 of the Financial Statements. If the Institute's direct subsidiaries make profits and this is permitted by their constitutions, they normally pay them (either by dividend or qualifying charitable donation) to the Institute.

Capital expenditure

The Group's capital expenditure of £7.8m (2022-23: £5.9m) was largely spent on IT and development assets. The Institute's capital expenditure of £6.0m (2022-23: £4.0m) was largely spent on IT and development assets.

The Group's net income before other recognised gains and losses was £3.6m.



Fundraising statement

Fundraising is defined as "soliciting or otherwise procuring money or other property for charitable purposes". Income of this nature received in the year to 31 August 2024 amounted to £Nil (2022-23: £Nil). We do not undertake fundraising from the public. We are not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary fundraising standard. All solicitations are managed internally, without the involvement of commercial participators, professional fundraisers or third parties. The day-to-day management of all income generation is delegated to the executive team and, since we do not solicit funds from the public and expect our staff to act appropriately at all times, we do not consider it necessary to put in place specific internal procedures to monitor fundraising activities. We have received no complaints in relation to fundraising activities.

Risk management

Understanding the risks we face and managing them appropriately is important to City & Guilds, enabling better decisions and delivery of its purpose, with more impact, to more people.

The risk environment

City & Guilds partners with its customers to deliver work-based learning programmes that build competency, to support better prospects for people, organisations and wider society.

As a leader in global skills development, City & Guilds works with governments, organisations and training providers and colleges to provide work-based learning programmes in industries and sectors which offer the strongest prospects for jobs. City & Guilds operates in multiple markets in the UK, and internationally in educational content, qualifications and training.

City & Guilds' risk profile considers risks associated to our awarding organisation, direct technical training businesses, digital learning platforms and leadership and management

training activities. Risk factors impacting City & Guilds operating in these markets include considered adoption of artificial intelligence, increased digitisation, political and socioeconomic factors, changing regulatory requirements, qualification change and the required transformation activities needed to address these risks.

How we manage risk

City & Guilds has a robust Risk Management framework that supports the delivery of its objectives and commitments by identifying, assessing, reporting and monitoring risk. Our framework is aligned to the HM Treasure 'Orange book' and augmented by industry best practice tailored to our unique combination of considerations (HE, Charitable and Private sector entities).

The Trustees, supported by the Audit and Risk Committee (ARC), regularly review the risks to which City & Guilds is exposed, the risk appetite, and the risk management processes. The Trustees formally approve the strategic risk register and the risk

appetite matrix annually. The ARC monitors risks on a quarterly basis receiving reporting by exception on risks operating outside appetite, risk score variations and/ or changes in risk landscape. The Executive Leadership Team manage the strategic risk register and operational risk registers. The outsourced Internal Auditor provides independent assurance that the risk management, governance, and internal control processes are operating effectively.

Risk identification

Risk identification at an operational level is managed as part of the ongoing day to day activity through local risk registers with central oversight by the Governance, Risk & Compliance team and operational risk registers which are closely monitored by the Executive Leadership Team. All operational risks are mapped, where appropriate to the strategic risks. Strategic risks (those linked to our long and medium strategy) and organisational operational risks are managed by dedicated functions. Programme and

project risks are monitored and reported through the Programme Management Office.

In the awarding organisation, a revised governance structure was introduced in FY24 including subcommittees with responsibility for managing risks across this area of the organisation, ensuring accountability and ownership of risk and mitigation plans.

The principal risks and uncertainties facing City & Guilds identified by the Trustees are categorised as six strategic risks.

Strategic risks including actions taken during the year are summarised below:

• **Customer** - We fail to respond on a timely basis to significant changes in our customers' expectations and / or broader market dynamics (Government policy, competitor activity, socioeconomic factors etc), impacting our ability to deliver profitable growth and impact.

Actions taken to manage this risk include

- A revised brand and marketing strategy, moving to implementation with clear targets and milestones being tracked
- Reorganisation of customer experience and customer insights functions to enhance portfolio analysis and drive data led decision making to focus our portfolio decisions on growing market share and contribution
- Embedded overarching quality structure for training businesses, with Ofsted "Good" secured across all three operations



• **Financial** - We do not generate sufficient business cashflow and surplus or identify and secure other funding options to protect our existing business, to fund our growth, support transformation plans and to provide resilience to economic or other shocks and to continue to fund the 1966 DB scheme deficit

Actions taken to manage this risk include

- Five-year forecasting process to support our reserves review and linked to wider strategic planning activities to inform decision making
- Continued oversight by the Investment Committee of fund performance and use of external advisors to track investments and tightened management of cost base
- Regular reviews of cash balance across the organisation and latest forecast for 3 months as a minimum including liquidity constraints, intercompany and oversea repatriation
- Refreshed cyclical processes to validate and review the profitability of products and services

• **Technology & Operational** - We do not have the right processes, architecture, data, capabilities, or capacity to deliver secure, resilient, scalable, repeatable services, reflective of industry best practices or to be innovative (e.g. enhanced cyber posture and adopting new technologies, including AI)

Actions taken to manage this risk include

- Retirement of unsecure and failing legacy platforms and systems
- Delivery of a centralised data platform enabling access to enhanced data analytics
- Strong Certification compliance (CE+, ISO27001, ISO22301) across the organisation
- Core cyber maturity programme underway and ongoing review of our security posture including enhancements to asset control, role based access control, joiners, movers and leavers, MDR adoption, network perimeter control and backup facility review aligned to our growth vision

• Introduced AI governance and control framework to support strategic and operational decision making and compliance to the upcoming EU AI act.

• **Regulatory** - We do not correctly interpret or anticipate Ofqual, Ofsted and other regulatory requirements or expectations, do not have the appropriate structure, systems, and people in place, or are insufficiently prepared to comply with regulatory requirements and expectations that impact our reputation, products and services and could lead to enforcement activity or additional regulatory oversight

Actions taken to manage this risk include

- Significant investment and progress into our multi-year transformation programme designed to meet our regulatory requirements-key tactical changes implemented in FY24 with planning underway to deliver strategic technology solutions aligned to our longer term business strategy

- Enhanced decision making and regulatory compliance through the launch of revised governance models for the awarding organisation and the training delivery businesses and an enhanced role for the Quality Standards Committee - Enhanced quality and version control of question papers - Improved operational processes to safeguard delivery of accurate and timely results, reducing error frequency/ risk - Committed investment to implement cyber enhancements to meet 2025 Ofqual cyber standards People - We do not have a higher-performance culture with aligned behaviours, do not improve capabilities and talent or drive accountability to right size our organisation design, and we operate with differentiated pay, benefits, and terms (acquisition legacies as an example) which may prevent us executing our Strategic Initiatives (for example delivering One City & Guilds).	Actions taken to manage this risk include - Right sizing departments to achieve efficient, sustainable working practices across the organisation - One set of terms and conditions and working towards a single set of pay scales throughout the organisation 100% of employees hosted on one HR system providing greater accuracy and visibility - Revised performance management model aligned to business objectives and supporting a high performance culture - Reorganisation of the associates operating model for greater consistency and standardised contracting principles Reputation - We may face reputational damage and impact to our purpose through our failure to meet our legal, regulatory, and ethical obligations to key stakeholders and our inability to respond to policy changes	Actions taken to manage this risk include - Regulatory process improvement and transformation underway for the awarding organisation and Ofsted 'Good' rating across the training businesses - Launch of our first 'Responsible Business Report' aligned with the Global Reporting Initiative (GRI) Standards for sustainability and ESG approach - Delivered 10% reduction in our organisation greenhouse gas emissions since our baseline year of 2018/19 - Established and strengthened relationships with the Government and its representatives relevant to our interests and operations
	Designated Funds The Skills Development Fund was created by the Institute and made its first grants in the year ended 31 August 2016. Its aim is to invest in new and innovative activities which have	



City & Guilds has a robust Risk Management framework that supports the delivery of its objectives and commitments by identifying, assessing, reporting and monitoring risk."

a demonstrable impact; create long-term and sustainable change; deliver real benefit to the education sector, employers and/or learners; and reflect the Group's global profile. The timing of the expenditure depends on the strategies adopted for the Fund's use, and the nature, size and number of opportunities which present themselves. The value of the Fund at 31 August 2024 was £2.0m (2023: £2.5m).

Restricted Funds

City & Guilds Land Based Services (NPTC)

Since 30 June 2010, the Institute has held a fund which supports its land-based activities. The timing of the expenditure depends on the strategies adopted for the Fund's use, and the nature, size and number of opportunities which present themselves. The value of the Fund at 31 August 2024 was £3.1m (2023: £3.1m), invested in bank deposit accounts to limit risk exposure. During the year, £0.2m (2023: £0.3m) was spent.



Brookes Metzger Bursary

The Fund represents a bursary to provide opportunities to pursue a career in engineering through high-level technical qualifications to be provided in partnership with the University of Cumbria. The Fund was established in 2023 and at 31 August 2024 has a value of £0.4m (2023: £0.4m) with £Nil expenditure during the year (2023: £Nil).

Other Funds

Reserves

The Institute adopts a risk-based approach to setting a minimum level of free reserves which the Trustees consider to be appropriate to maintain for the coming year. Factors considered include budget cash flow forecasts, long-term plans, key risks, the timing of major income, expenditure and capital items and potential cash outflows not included in the budget process (such as acquisitions). The Trustees review the policy on an annual basis to ensure it continues to comply with current Charity Commission guidance.

The remit of the Audit & Risk Committee includes evaluation of the target for reserve levels and consideration of the use to which reserves should be put.

The level of free reserves deemed appropriate for the Group at 31 August 2024 was £34.3m (2023: £33.3m). The value of the actual free reserves at 31 August 2024 was £38.6m (2023: £37.7m), calculated by adding the net current assets (£6.4m) to the financial investments (£39.5m) and then deducting the value of the Restricted Funds (£3.5m), Designated Fund (£2.0m), long term creditors (£0.9m) and provisions for liabilities and charges (£0.9m). The aggregate free reserves of the Institute's subsidiaries at 31 August 2024 was £1.3m deficit (2023: £4.0m deficit).

Investments

The Institute's investments in cash, securities (including equities and gilts) and property are directed and monitored by the Investment Committee.

Subsidiaries

Investments include shares in companies owned or controlled by the Institute, or loans to those companies. The Institute's investment in City and Guilds International Limited is a 'programme-related investment', made to further the Institute's aims in a way that may also produce some financial return for it. The remainder are 'mixed-motive investments', made with a view both to directly furthering the Institute's purposes and to achieving a financial return. The Trustees' policy is to set up new subsidiaries where it is prudent or desirable for activities to be carried out by a separate legal entity, and to acquire existing companies where this is preferable to creating a product or service in-house.

Other investments in companies

Other investments in companies are also social investments. The Trustees' policy is to become a minority shareholder in existing companies where participation in their management will be more beneficial than contractual arrangements alone. Information about the values of these investments can be found in Note 7(b) to the Financial Statements.

Cash and equities

The Group's investments primarily are in place to act as a source of funds for acquisitions and business development. The Investment Committee reviewed and agreed on a revised strategy the investment strategy in December 2022. This followed professional advice taken with external advisors. In setting the strategy the key considerations for the Investment Committee were:

- **Return target:** Implementing an "inflation plus" target which equates to a net return target of 6.7% at the time of review.

- **Risk:** The new portfolio has been assessed as a 90% 1-year VAR of £4.9m which is considered by Trustees to be an acceptable risk vs return balance for the Charity.
- **Liquidity:** The purpose of the invested assets held is to predominantly act as risk reserves and back long-term stable working capital. The profile of expected liquidity realisation should a major risk event occur was reviewed and considered acceptable.
- **ESG:** There is a desire for the invested assets to mirror the ESG policies in place for the Charity as a whole as far as possible, within the hierarchy of decision making to meet obligations as per current Charities Commission guidance.

In aggregate £38.1m was invested in the following four funds as at 31 August 2024:

- Trojan Fund
- The Partners Fund
- AEGON Fund
- Legal & General Investment Management (LGIM) Fund

At 31 August 2024, the Group's cash amounted to £14.9m (2023: £24.3m) and the Group's investments in funds were valued at £38.1m (2023: £33.0m). £7.4m (2023: £13.2m) was invested in the Trojan Fund, £7.0m (2023: £6.8m) in The Partners Fund, £7.4m (2023: £Nil) in the AEGON Fund and £16.3m (2023: £Nil) in the LGIM Fund. During the year the group disposed of investments in the Vanguard LifeStrategy 60% Equity (VLE) Fund of £13.2m and Trojan Fund of £13.0m, with additions in the AEGON Fund of £6.8m, the Trojan Fund of £6.8m and the LGIM Fund of £13.6m, finalising the implementation of the revised investment strategy that started in the previous year. The portfolio has returned 12.2% during the year against the Group's target of 6.7%.

Pension Fund

At 31 August 2024, the funding of the defined benefit section of the City and Guilds (1966) Pension Scheme was in deficit by £17.6m (2023: £15.1m). The increase in the pension deficit was the result of the £4.8m increase in the value of the liabilities (from £156.8m to £161.6m) and the £2.3m increase in the value of the scheme assets (from £141.7m to £144.0m). The net of these variances gives the movement in position of £2.5m.

The change in the value of the scheme liabilities was due to a change in the financial assumptions (mainly the discount rate and inflation expectations) used to calculate the liability. The Trustees are aware of the volatile nature of pension surpluses/deficits calculated according to FRS102, which may vary in response to market factors and the actuarial assumptions made. The Trustees have considered the impact of this liability on future cash flow and reserves and believe that it will be funded from normal activities.

Relationships between the Institute and related parties

The Institute provides a range of services to its subsidiaries, for which payment is made. The nature of those services varies according to the subsidiary concerned but may include management and support services such as IT, human resources and development, finance, facilities and legal. A summary of these transactions is shown in Note 20 to the financial statements. ●



Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Consolidated Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Scotland requires the Trustees to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Institute and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.



- In preparing these Financial Statements, the Trustees are required to:
- a. select suitable accounting policies and apply them consistently;
 - b. make judgments and accounting estimates that are reasonable and prudent;
 - c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
 - d. prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institute and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Institute and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



- In so far as the Trustees are aware:
- a. there is no relevant audit information of which the Institute's auditor is unaware; and
 - b. the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

At the Yearly Meeting on 18 March 2024, BDO LLP was re-appointed as the Institute's auditors. It has indicated its willingness to continue in office and it is the current intention that it should do so.

Approval and signature

This report was approved by the Trustees on 19 December 2024 and signed on their behalf by


Dame Ann Limb DBE DL FCGI
Chair



Administrative information

Trustees

Dame Ann Limb DBE CBE
DL FCGI
Chair of Council

Kevin Baughan OBE
Vice-Chair of Council and
Honorary Secretary

Ian Ailles
Treasurer

James Alexander

Frank Douglas

Chris Fenton

Jane Gibbon

Andrew Marchant

Dr Richard Palmer HonFCGI

Stuart Russell
(from 18 March 2024)

Ben Wiseman

Secretary to the Institute
Chris Astles

Chief Executive Officer
Kirstie Donnelly MBE

Other Key Management
Personnel
Nic Barnes
Executive Director, People

Jim Conybeare-Cross
Chief Financial Officer
(until 6 September 2023)

Cecilia Harvey
Chief Operations Officer

Abid Ismail
Chief Financial Officer

Faiza Khan MBE
Executive Director, Corporate
Affairs and Foundation

Andy Moss
Chief Customer Officer

David Phillips
Managing Director,
Channel Partners
(until 31 December 2023)

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Troy Asset Management Limited
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Aegon Asset Management
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Transfer Agency - Dublin 1
Ireland

Northern Trust International
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Actuaries
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Principal Legal Advisers
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Independent *Auditor's Report*

to the Trustees of The City and Guilds of London Institute

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 August 2024 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.



We have audited the financial statements of The City and Guilds of London Institute ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 August 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.



Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

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

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group's activities and the sector in which it operates;
- Discussion with management, those charged with governance and members of the legal team;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, the Charities Act 2011 and Ofqual regulations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Corporate and VAT legislation, Employment Taxes, and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.



Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Audit and Risk Committee, and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be registration income recognition, and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including estimated dropout rates and average course lengths; and
- Reviewing correspondence with the Charity Commission and serious incident reports submitted during the year.



We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condron
BDO LLP, statutory auditor
London, UK
19 December 2024

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities	Balance Sheets	Consolidated Statement of Cash Flows	Notes to the Financial Statements
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Financial *Statements*



Consolidated Statement of Financial Activities

For the year ended 31 August 2024
(Incorporating an Income and Expenditure Account)

		Year ended 31 August 2024		Year ended 31 August 2023	
	Note	£m	£m	£m	£m
		Unrestricted funds	Restricted funds	Total	Total
Income and endowments from:					
Donations and legacies		0.3	-	0.3	0.4
Charitable activities					
Educational services	2	105.9	-	105.9	98.5
Other trading activities	2	67.2	-	67.2	59.1
Investments	3	0.5	0.2	0.7	0.6
Total income		173.9	0.2	174.1	159.0
Expenditure on:					
Charitable activities					
Educational services		101.4	0.1	101.5	100.4
Raising funds					
Trading costs		72.8	-	72.8	67.0
Other					
Tax on overseas activities		0.3	-	0.3	0.2
Total expenditure	4	174.5	0.1	174.6	167.9
Net (expenditure) / income before investments gains, losses and disposals		(0.6)	0.1	(0.5)	(9.0)
Net gain / (loss) on investment assets	7	4.1	-	4.1	(0.8)
Gain on disposal of unlisted investment	7	-	-	-	0.1
Net income / (expenditure)		3.5	0.1	3.6	(9.7)
Attributable to:					
The interest of the parent charity		3.4	0.1	3.5	(9.9)
Non-controlling interest		0.1	-	0.1	0.2
		3.5	0.1	3.6	(9.7)
Transfers between funds		0.1	(0.1)	-	-
Other recognised gains and losses					
(Loss) / gain on revaluation of foreign currency net investments		(0.3)	-	(0.3)	0.4
Actuarial loss on defined benefit pension scheme	18	(5.7)	-	(5.7)	(7.7)
Net movement in funds		(2.4)	-	(2.4)	(17.0)
Accumulated funds brought forward		83.0	3.5	86.5	100.0
Accumulated funds carried forward	12	80.6	3.5	84.1	83.0

The above results are derived entirely from continuing activities.
The notes on pages 48 to 77 form part of these Financial Statements.

Balance Sheets

For the year ended 31 August 2024

		Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	Note	£m	£m	£m	£m
Intangible fixed assets	5	30.3	30.4	9.8	5.7
Tangible fixed assets	6	27.3	29.2	20.7	22.2
Investments					
Financial investments	7	39.5	34.0	39.5	34.0
Investment in subsidiaries	7	-	-	43.2	55.7
Total investments		39.5	34.0	82.7	89.7
Total fixed assets		97.1	93.6	113.2	117.6
Current assets					
Debtors due within one year	8	28.6	24.3	31.2	24.8
Cash at bank and in hand		14.9	24.3	6.8	17.6
Total current assets		43.5	48.6	38.0	42.4
Current liabilities					
Creditors: amounts falling due within one year	9	(37.1)	(38.4)	(34.0)	(32.1)
Net current assets		6.4	10.2	4.0	10.3
Total assets less current liabilities		103.5	103.8	117.2	127.9
Creditors: amounts falling due after one year	10	(0.9)	(1.5)	-	(0.6)
Provisions for liabilities and charges	11	(0.9)	(0.7)	(0.6)	(0.7)
Net assets excluding pension liability		101.7	101.6	116.6	126.6
Defined benefit pension scheme liability	18	(17.6)	(15.1)	(17.6)	(15.1)
Net assets		84.1	86.5	99.0	111.5
The funds of the charity					
Unrestricted funds					
Unrestricted funds excluding pension reserve	12	97.3	97.3	112.7	122.7
Revaluation reserve	12	0.4	0.4	0.4	0.4
Defined benefit pension scheme reserve	18	(17.6)	(15.1)	(17.6)	(15.1)
Total unrestricted funds		80.1	82.6	95.5	108.0
Restricted funds	12	3.5	3.5	3.5	3.5
TOTAL FUNDS OF THE GROUP AND INSTITUTE		83.6	86.1	99.0	111.5
Non-controlling interest		0.5	0.4	-	-
TOTAL FUNDS		84.1	86.5	99.0	111.5

The notes on pages 48 to 77 form part of these Financial Statements.
The Financial Statements on pages 44 to 77 were approved by the board of Trustees and authorised for issue on 19 December 2024 and signed on its behalf by:

Dame Ann Limb DBE DL, Chair

Ian Ailles, Treasurer

Kirstie Donnelly MBE, CEO



Consolidated Statement of Cash Flows

For the year ended 31 August 2024

			Year ended 31 August 2024		Year ended 31 August 2023
	Note	£m	£m	£m	£m
Cash flows used in operating activities	13		(0.6)		(8.8)
Taxation paid		(0.3)		(0.2)	
Net cash used in operating activities			(0.9)		(9.0)
Cash flows (used in) / from investing activities					
Investment income	3	0.7		0.6	
Purchases of intangible fixed assets	5	(6.6)		(3.7)	
Purchases of tangible fixed assets	6	(1.2)		(2.2)	
Purchases of listed investments	7	(20.4)		(6.8)	
Proceeds from sale of listed investments	7	19.4		13.3	
Purchases of other investments	7	(0.4)		(1.0)	
Investment in subsidiary undertakings	7	-		(5.7)	
Cash acquired with subsidiaries	7	-		0.5	
Net cash used in investing activities			(8.5)		(5.0)
Cash flows used in financing activities					
Settlement of loan financing	7	-		(6.3)	
Net cash used in financing activities			-		(6.3)
Net decrease in cash and cash equivalents			(9.4)		(20.3)
Cash and cash equivalents at beginning of year			24.3		44.6
Cash and cash equivalents at end of the year			14.9		24.3
Cash and cash equivalents comprise:					
Cash at bank and in hand			14.9		24.3
			14.9		24.3

The Group’s net debt is considered to be the same as its cash and cash equivalents.

The notes on pages 48 to 77 form part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 August 2024

1. Accounting policies

The City and Guilds of London Institute is a Royal Charter company and charity domiciled in England and Wales, registration number RC000117. The registered office is 5-6 Giltspur Street, London, EC1A 9DE.

The following accounting policies have been applied consistently in dealing with items that are considered material to the Group’s or Institute’s accounts.

1.1 Basis of preparation

The Financial Statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as revised in 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Going concern is a fundamental accounting concept that underlies the preparation of these accounts. Under the going concern concept it is assumed that the Group and Institute will continue in operation for the foreseeable future, and that there is neither the intention nor the need to either liquidate or cease operations.

Assessment of going concern

- **Review of financial performance:** Management reviews the financial performance of the organisation on a monthly basis, including a review

of monthly management accounts and evaluation of actual results compared to budgets and forecasts. The management accounts are shared with the Board of Trustees and the Audit & Risk Committee for their reviews. Management also reviews both financial and non-financial key performance indicators on a monthly basis, including non-financial indicators to ensure early identification of issues.

- **Budgeting and forecasting:** Management undertakes a formal schedule of financial budgeting and forecasting of revenues, expenses, cash flows and liquidity regularly in each financial year which are taken to the Board of Trustees for their approval. Budgets and forecasts, along with any revisions to them, are reviewed by the Board and the Audit & Risk Committee and are then approved by the Board. To enable strategic planning and alignment with longer term resource allocation, management extended the planning period to 5 years. Stress testing of the Group and Institute’s cash position is undertaken to cover the period up to at least 12 months from the date of this report.
- **Timing of cash flows:** Management evaluates cash resources and availability of facilities in the funding of operating activities, and develops adequate plans to enable the organisation to take effective action to alter the amounts and timings of its cash flows so that it can respond to unexpected needs or opportunities. Management also includes an assessment of whether the Institute can meet the agreed schedule of contributions into the City and Guilds (1966) Pension Scheme, and whether there is any risk that, within the period under review for going concern, a section 75 debt requiring immediate payment would be triggered.
- **Products, services and markets:** Management considers emerging economic, socioeconomic and political trends within the markets in which it operates, and considers how the organisation might adapt its product offerings accordingly, and it assesses whether there are any other factors which may impact the organisation’s ability to deliver its charitable mission.

In making their assessment of going concern, management stress tested the budget and various

1. Accounting policies - continued

scenario models, incorporating a number of assumptions including reductions to revenue and the risk and impact should a major event occur and the mitigating actions that could be reasonably taken. The Audit & Risk Committee further reviewed the financial assessment, stress testing and associated analysis and recommends to trustees that the basis for accounting is appropriate.

The Trustees have determined that there are no material uncertainties that may cast significant doubt about the Group and Institute’s ability to continue as going concerns and hence these financial statements have been drawn up on a going concern basis.

Parent entity disclosure exemptions

In preparing the separate financial statements of the parent, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent as their remuneration is included in the totals for the Group as a whole.

1.2 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of The City and Guilds of London Institute (“the Institute”) and of its subsidiaries.

All subsidiaries are consolidated on a line-by-line basis from the date of acquisition.

Despite there being a uniting direction in place between the Institute and City and Guilds International Limited, the Institute figures presented in these accounts solely reflect the assets, liabilities and activities of the Institute. City and Guilds International Limited has been treated as a subsidiary and included within the Group figures.

1.3 Reserves and fund structure

Unrestricted funds comprise accumulated surpluses on general funds and the revaluation reserve which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

1.4 Tangible fixed assets and depreciation

The Institute’s long leasehold office at 5-6 Giltspur Street is included at deemed cost established on the transition to FRS 102 and derived from an open market valuation, carried out by Daniel Watney, Chartered Surveyor, as at 1 September 2014. Subsequent additions are capitalised at cost.

Freehold property is depreciated on a straight-line basis over 50 years. Freehold land is not depreciated. Short leasehold properties held by the Group are accounted for as operating leases, but any initial or other major expenditure on improvements is capitalised and written off on a straight-line basis over the life of the leases, subject to a maximum period of 50 years.

Group policy is to capitalise equipment greater than £1,000.

Assets which are subject to a period of construction are depreciated from the date they are available for operational use.

Other tangible fixed assets as stated below are depreciated on a straight-line basis over their estimated useful life as follows:

Long leasehold land	Lease term
Long leasehold buildings	50 years
Computer equipment	3-5 years
Furniture and fixtures	4 years
Motor vehicles	3-4 years
Plant	4-20 years

1. Accounting policies - continued

1.5 Intangible fixed assets

Goodwill, being the excess of the purchase price of acquisitions over the fair value of the net assets acquired, is capitalised in accordance with FRS 102 and amortised on a straight-line basis over its estimated useful economic life, which is up to a maximum of 10 years where such a period cannot be measured reliably. For the current subsidiaries of the Group, associated goodwill has been deemed to have an estimated useful life of 10 years. This is based upon an assessment of a given investment at the time of acquisition, taking in to account relevant strategic plans and forecasts. Other intangible fixed assets consist of intellectual property rights, customer relationships, programme content, trade names, computer software and qualification development, which are capitalised at cost or transaction value and amortised on a straight-line basis over their estimated useful economic lives. Assets which are subject to a period of construction are amortised from the date they are available for operational use.

The intangible assets are amortised over the following useful economic lives:

Intellectual property rights	IPR term	Based on IPR protection period
Customer relationships	various	Based on the estimated remaining life of the cash flows
Programme content	various	Based on the estimated remaining life of the cash flows
Trade name	various	Based on the estimated remaining life of the cash flows
Computer software	3-5 years	
Qualification development	5 years	

When circumstances are identified which give rise to an impairment in the value of any intangible fixed asset, that impairment loss is recognised immediately.

1.6 Taxation

The Institute is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the Institute is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable

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

Trading subsidiaries provide for tax at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

1.7 Income

Fee income relating to registrations is deferred and recognised over the estimated time taken to complete the relevant qualification as performance obligations are met during the course delivery period. A proportion of registration fee income is recognised immediately to reflect an estimate for learners who do not complete the course, in reference to the performance obligations of the Institute to the colleges, and the nature of the contract. Where assessment and certification income exceeds registration fee income for any qualification, the registration income is not deferred and is recognised when the service is provided. Assessment income is recognised when the assessment is marked, certification income is recognised when the certificate is issued.

Sales of named user licences with indefinite expiry dates are deferred until licence activation and then recognised evenly over the estimated period of use of the licence up to 12 months.

Income receivable from contracts entered into to provide other services or solutions, including e-learning is recognised on the basis of percentage of contract completed by reference to costs, with credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty.

In accordance with Section 24 of FRS 102, government grant is recognised in income in the period in which it becomes receivable if there are no performance obligations.

1.8 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Irrecoverable VAT is included within expenditure or capitalised with the appropriate asset.

The costs of preparing examinations are written off as they are incurred irrespective of examination dates.

1. Accounting policies - continued

Content development costs are written off in the year they are incurred unless:

- the product has an estimated useful life of more than one year; and
- there is a reasonable expectation that the revenue to be generated over the useful life of the product will exceed the expected total development costs and that those costs are separately identifiable and quantifiable.

If the above criteria are met, the expenditure is capitalised within intangible fixed assets and amortised over five years, which is the typical useful life of a product.

Costs of raising funds include costs incurred in trading activities that raise funds.

Charitable activities include expenditure in respect of education services, and include both direct costs and support costs relating to these activities.

Governance costs include expenditure in respect of the Institute’s constitutional requirements. Support costs include central functions and have been allocated to activities on a basis consistent with the use of resources. The allocation is shown in Note 4.

1.9 Foreign currency translation

Transactions denominated in foreign currencies are translated into Sterling at the monthly average rate of exchange. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the Balance Sheet date.

The Financial Statements of overseas branches and undertakings are translated into Sterling on the following basis:

- Assets and liabilities at the rate of exchange ruling at the Balance Sheet date.
- Statement of Financial Activities items at the average rate of exchange for the year.

Exchange differences arising on the re-translation of the results of overseas entities into Sterling are included in other recognised gains and losses within the Consolidated Statement of Financial Activities.

1.10 Pensions

The City and Guilds (1966) Pension Scheme has defined benefit and defined contribution sections.

The defined benefit section is accounted for in accordance with the requirements of FRS 102 and details are shown in note 18. The difference between the fair value of the assets held in the Group’s defined benefit pension scheme and the scheme’s liabilities measured on an actuarial basis using the projected unit method are recognised in the Group’s balance sheet as a pension asset or liability as appropriate. Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by the Group are charged to expenditure or other gains and losses within the Statement of Financial Activities in accordance with FRS 102.

Contributions to the defined contribution section are charged to the Consolidated Statement of Financial Activities in the year in which they are made.

Following a period of employee consultation, the existing defined benefit sections of the City and Guilds (1966) Pension Scheme were closed to future benefit accrual on 30 June 2018 and a new defined contribution section was opened on 1 July 2018.

1.11 Holiday pay accruals

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.12 Operating leases and leased assets

Rentals applicable to operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the term of the lease.

1.13 Investments

Investments in subsidiary companies are shown at cost in the parent charity, less provisions and impairments where appropriate.

Investments in group companies are a combination of programme related investments and mixed motive investments. Programme related investments are held primarily for their contribution to the charitable objectives of the parent. Mixed motive investments are held partly for a financial return and partly for their contribution to the charitable objectives of the parent. The programme

1. Accounting policies - continued

related investments are held at the lower of cost and recoverable amount. Each year end consideration is given to whether there are any indicators or impairment, based on the charitable benefit expected to be provided by these entities going forwards. The mixed motive investments are also held at the lower of cost and recoverable amount. Each year end consideration is given to whether there are any indicators of impairment, based on a combination of the charitable benefit expected to be provided by these entities going forwards as well as the expected financial contribution to the group.

Investments in funds are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Consolidated Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Contributions to funds are recognised in full when drawn and undrawn commitments are disclosed in Note 22.

Other financial investments are held at cost less impairment.

1.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets, other than financial investments, are initially measured at transaction price and subsequently held at amortised cost, less any impairment.

Financial liabilities, excluding the defined benefit pension liability, are initially measured at transaction price and subsequently held at amortised cost.

1.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at bank, including cash held in deposits on short-term notice or held at call with banks. Cash held by investment managers is included within financial investments and additions and disposals to investments in funds are shown as movements within net cash from investing activities in the statement of cash flows.

1.16 Judgements in applying accounting policies

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

Indicators of impairment and impairment of assets

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

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use, both of which require the use of estimation in their calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a combination of expected future social returns and a discounted cash flow model. The social returns are derived from the business plans for the next 5 years and the number of learners that are expected to be reached. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows for extrapolation purposes.

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

1. Accounting policies - continued

The assumptions underlying the pension scheme valuation: The principal actuarial assumptions are shown in Note 18. The effect of reasonably possible movements in these assumptions on scheme liabilities are as follows:

- o 0.5% pa decrease in discount rate leads to an increase of £12.2m in scheme liabilities.
- o 0.5% pa increase in inflation rate leads to an increase of £9.2m in scheme liabilities.
- o 1 year increase in member life expectation leads to an increase of £5.7m in scheme liabilities.

The future viability of courses where third party content development costs have been deferred:

Development in new products has many inherent uncertainties, with the future viability being the key risk. The Group mitigates this risk through the use of analytical and tracking tools like regular market research. As at the balance sheet date, management considers the risk of courses with deferred expenditure not being viable in the future to be remote. The Group also has a policy of immediately expensing deferred third-party content development costs when the future viability of the underlying courses is in question.

1.17 Other key sources of estimation uncertainty

Tangible and intangible fixed assets are depreciated or amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The impact on income of the estimated course length: Fee income relating to registrations is deferred and recognised over the estimated time taken to complete the relevant qualification. An increase in course length by 10% during the year would result in a reduction in recognised income by £0.7m (2023: £0.7m) at the existing level of income.

The impact on income of the estimated drop-out rates for students signing up to courses: As a proportion of registration fee income is recognised



immediately to reflect an estimate for learners who do not complete (i.e. drop out of the course), an increase in drop-out rates by 10% would result in an increase in recognised income by £0.3m (2023: £0.3m) at the existing level of income.

The assumptions underlying the valuation of intangible assets: The acquired intangible assets that meet the recognition criteria under the revised FRS 102 guidelines are professionally valued using methods such as multi-period excess earnings. Key inputs into the valuations are:

- o Customer retention rate.
- o Growth rates.
- o Weighted Average Cost of Capital specific to the acquisition on the transaction date.

Determining whether an investment in subsidiary is impaired: This requires an estimation of the recoverable amount of the investment at the end of the financial year.

Refer to 1.16 for indicators of impairment and impairment of assets for factors taken into account when determining the recoverable amount of an investment.

1. Accounting policies - continued

Risk of material adjustment to the carrying value of investment portfolio:

All investments in funds are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value as explained in Note 1.13.

The main risk to the Group from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as the Group's investments are mainly traded in markets with good liquidity and high trading volumes. The Group has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Group manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Group does not make use of derivatives and similar complex financial instruments.

2. (a) Income from charitable activities – educational services

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Fee income	105.9	98.9
	105.9	98.9

(b) Income from other trading activities

Other trading activities comprise the activities of the trading subsidiaries of the Group within the Employers business unit, whose activities support employers with direct training delivery. These operate under the brands of Gen2, Intertrain, Kineo, The Oxford Group and Trade Skills 4U as set out in Note 7.

3. Income from investments

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Interest on deposits		
Unrestricted funds	0.5	0.6
Restricted funds	0.2	-
	0.7	0.6

4. Expenditure

(a) Analysis of total expenditure

	Staff costs (Note 14)	Other direct costs	Support costs	Year ended 31 August 2024 Total
	£m	£m	£m	£m
Trading costs	33.0	26.5	13.3	72.8
Educational services	55.0	29.9	16.6	101.5
Tax on overseas activities	-	0.3	-	0.3
	88.0	56.7	29.9	174.6

	Staff costs (Note 14)	Other direct costs	Support costs	Year ended 31 August 2023 Total
	£m	£m	£m	£m
Trading costs	33.0	21.2	12.8	67.0
Educational services	52.8	30.9	17.0	100.7
Tax on overseas activities	-	0.2	-	0.2
	85.8	52.3	29.8	167.9

4. Expenditure - continued

(b) Analysis of support costs

	Trading costs	Educational services	Governance	Year ended 31 August 2024
	£m	£m	£m	£m
Premises and utilities	4.1	2.8	-	6.9
Communication and IT	2.4	9.3	-	11.7
Postage and printing	0.2	0.5	-	0.7
Other	0.1	0.4	-	0.5
Depreciation and impairment	1.1	0.9	-	2.0
Amortisation costs	5.3	2.4	-	7.7
Financial costs	0.1	0.3	-	0.4
	13.3	16.6	-	29.9

	Trading costs	Educational services	Governance	Year ended 31 August 2023
	£m	£m	£m	£m
Premises and utilities	3.7	2.7	-	6.4
Communication and IT	2.1	8.9	-	11.0
Postage and printing	0.2	0.6	-	0.8
Other	0.2	0.4	-	0.6
Depreciation and impairment	1.2	1.0	-	2.2
Amortisation costs	5.5	3.0	-	8.5
Financial costs	(0.1)	0.4	-	0.3
	12.8	17.0	-	29.8

Support costs are allocated on a basis consistent with the use of resources and apportioned to the respective activity by utilising the average number of staff employed on relevant activities as a proportion of the total average staff number. For the purpose of allocation, governance costs within the support costs are considered to be educational services related and non-trading.

Total support costs after allocation of staff costs of £0.2m (2023: £0.2m) is £30.1m (2023: £30.0m).

4. Expenditure - continued

(c) Analysis of governance costs

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Audit fees	0.9	0.8
Allocation of staff costs	0.2	0.2
Apportionment of support costs	-	-
	1.1	1.0

(d) Cost analysis

Included within total expenditure are the following individual items:

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Group auditor's remuneration:		
Audit fees of the parent, group and subsidiaries	0.3	0.3
Other auditors' remuneration:		
Associates of the group auditor - audit fees of subsidiaries	0.1	0.1
Other auditors - audit fees of subsidiaries	0.1	0.1
Taxation and other services	0.1	0.1
Operating lease rentals:		
Land and buildings	3.0	2.8
Plant and equipment	0.6	0.7
Depreciation and impairment (Note 6)	2.0	2.2
Amortisation (Note 5)	7.7	8.5
Net loss on foreign currency transactions	0.1	0.7

2023 audit fees have been re-presented, including splitting out the group auditor's fees from its associates.

5. Intangible fixed assets

	Goodwill	Intellectual property rights	Customer relationships	Programme content	Trade name	Computer software	Qualification development	Assets under construction	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Group: Cost or valuation									
At 31 August 2023	55.0	1.7	8.3	3.3	0.6	19.9	10.3	2.7	101.8
Transfers	-	-	-	-	-	2.6	0.5	(3.1)	-
Additions	-	-	-	0.5	-	0.6	-	5.5	6.6
Disposals	-	-	-	-	-	-	(1.0)	(0.1)	(1.1)
Reclassification to tangible fixed assets	-	-	-	-	-	0.5	-	0.6	1.1
At 31 August 2024	55.0	1.7	8.3	3.8	0.6	23.6	9.8	5.6	108.4
Amortisation									
At 31 August 2023	35.8	1.7	5.0	2.6	0.2	17.5	8.6	-	71.4
Amortisation for the year	3.7	-	0.7	0.4	-	2.0	0.9	-	7.7
Disposals	-	-	-	-	-	-	(1.0)	-	(1.0)
At 31 August 2024	39.5	1.7	5.7	3.0	0.2	19.5	8.5	-	78.1
Net book values									
At 31 August 2023	19.2	-	3.3	0.7	0.4	2.4	1.7	2.7	30.4
At 31 August 2024	15.5	-	2.6	0.8	0.4	4.1	1.3	5.6	30.3
Institute: Cost or valuation									
At 31 August 2023	-	-	-	-	-	17.0	10.3	2.7	30.0
Transfers	-	-	-	-	-	2.5	0.5	(3.0)	-
Additions	-	-	-	-	-	-	-	5.5	5.5
Disposals	-	-	-	-	-	-	(1.0)	(0.1)	(1.1)
Reclassification to tangible fixed assets	-	-	-	-	-	0.5	-	0.6	1.1
At 31 August 2024	-	-	-	-	-	20.0	9.8	5.7	35.5
Amortisation									
At 31 August 2023	-	-	-	-	-	15.7	8.6	-	24.3
Amortisation for the year	-	-	-	-	-	1.5	0.9	-	2.4
Disposals	-	-	-	-	-	-	(1.0)	-	(1.0)
At 31 August 2024	-	-	-	-	-	17.2	8.5	-	25.7
Net book values									
At 31 August 2023	-	-	-	-	-	1.3	1.7	2.7	5.7
At 31 August 2024	-	-	-	-	-	2.8	1.3	5.7	9.8

5. Intangible fixed assets - continued

Goodwill is reviewed annually for indications of impairment. If such indications exist, goodwill is additionally tested for impairment using value in use calculations. The value in use calculations are based on a combination of expected future social returns and discounted cash flow modelling. The social returns are derived from the business plans for the next 5 years and the number of learners that are expected to be reached. The discounted cash flow models use cash flow projections based on budgets approved by management. The key assumptions used by management in the value in use calculations were:

Discount rates
The discount rate is based on the risk-free rate for government bonds, adjusted for a risk premium to reflect the specific circumstances of the group. The discount rate used in measuring value in use was 11% (2023: 12%).



Perpetuity growth rates
A perpetuity growth rate of 2.0% (2023: 2.0%) was used.

Cash flow growth rates
Cash flow growth rates are based on management's forecasts of sales, gross operating margins and overheads for the next 5 years.

Customer relationships are core business assets retained through the strong relationship management capability at senior level. The amortisation period for the carrying intangible is 10-12 years. Programme content comprises learning solutions, learning content, training products including the flagship 5 Conversations product that are intrinsic to the business operations. The amortisation period for the carrying intangible is 7.5 years. Trade name is associated with businesses acquired by the Group. The amortisation period for the carrying intangible is 20 years.

No impairment was recognised in the year (2023: £Nil).

6. Tangible fixed assets

	Freehold property	Leasehold property	Computer equipment	Plant, fixtures and motor vehicles	Assets under construction	Total
	£m	£m	£m	£m	£m	£m
Group: Cost or valuation						
At 31 August 2023	4.3	23.6	9.2	7.3	1.4	45.8
Transfers	-	-	0.2	0.2	(0.4)	-
Additions	-	0.2	0.2	0.4	0.4	1.2
Disposals	-	-	(2.1)	-	-	(2.1)
Foreign exchange revaluation	-	-	0.1	-	-	0.1
Reclassification from intangible fixed assets	-	-	-	-	(1.1)	(1.1)
At 31 August 2024	4.3	23.8	7.6	7.9	0.3	43.9
Accumulated depreciation						
At 31 August 2023	0.1	3.1	8.3	5.1	-	16.6
Charge for the period	0.1	0.6	0.7	0.6	-	2.0
Disposals	-	-	(2.1)	-	-	(2.1)
Foreign exchange revaluation	-	-	0.1	-	-	0.1
At 31 August 2024	0.2	3.7	7.0	5.7	-	16.6
Net book values						
At 31 August 2023	4.2	20.5	0.9	2.2	1.4	29.2
At 31 August 2024	4.1	20.1	0.6	2.2	0.3	27.3
Institute: Cost or valuation						
At 31 August 2023	-	23.1	6.4	4.1	1.0	34.6
Transfers	-	-	0.2	0.2	(0.4)	-
Additions	-	-	-	-	0.5	0.5
Reclassification from intangible fixed assets	-	-	-	-	(1.1)	(1.1)
At 31 August 2024	-	23.1	6.6	4.3	-	34.0
Accumulated depreciation						
At 31 August 2023	-	3.3	5.7	3.4	-	12.4
Charge for the year	-	0.4	0.3	0.2	-	0.9
At 31 August 2024	-	3.7	6.0	3.6	-	13.3
Net book values						
At 31 August 2023	-	19.8	0.7	0.7	1.0	22.2
At 31 August 2024	-	19.4	0.6	0.7	-	20.7

Assets under construction are transferred to the relevant asset category on becoming operational. The Institute’s long leasehold office at 5-6 Giltspur Street has been provided as security to the pension scheme. No impairment was recognised in the year (2023: £Nil).

7. Investments

(a) Subsidiaries:

All investments in subsidiaries are deemed mixed motive investments with the exception of the investment in City and Guilds International Limited, which is programme related.

The Group’s net movement in funds, a deficit of £2.4m (2023: deficit of £16.9m), includes the results of the following seven fully controlled charitable or wholly owned trading subsidiaries all of which are incorporated in the UK and limited by shares unless otherwise stated:

- City and Guilds International Limited, a limited company and a registered charity within the Institute’s registration. With its overseas subsidiaries it delivers examination and award services overseas.
- City and Guilds Kineo Limited, a limited company that, together with its American subsidiaries, helps businesses improve their performance through learning and technology.
- Interact Learning Pty Limited, a limited company incorporated in Australia that provides design, development, implementation of training management and compliance solutions, operating under the Kineo brand.
- The Oxford Group Consulting and Training Holding Company Limited, a limited company that, together with its UK and US subsidiaries, delivers management development, leadership and executive coaching programmes.

- Gen II Engineering & Technology Training Limited, a company limited by guarantee that, together with its UK subsidiary promotes apprenticeship training and offers training, educational products and services for the engineering, specialist manufacturing, energy and technology sectors.

- Intertrain UK Limited, a limited company that provides training in the construction, rail and health & safety sections.

- Trade Skills 4U Group Limited, a limited company that, together with its UK trading subsidiary, delivers apprenticeship training, skills bootcamps and accredited courses within the electrical sector.

The Group also includes the following dormant subsidiaries: NPTC, City and Guilds Enterprises Limited, Oxford Group Pension Trustees Limited, Intertrain UK (Holdings) Ltd, Digitalme Limited, Radiowaves Schools Limited, E3 Learning Limited and Flexible Learning Network Limited (New Zealand).

The movement in the carrying value of investments in subsidiaries is shown below:

	Institute 31 August 2024	Institute 31 August 2023
	£m	£m
At 1 September	55.7	49.7
Additions	-	6.0
Impairments	(12.5)	-
At 31 August	43.2	55.7

During the year a provision for impairment of £12.5m was recognised in respect of investments in subsidiaries City and Guilds Kineo Limited (£4.2m) and Interact Learning Pty Limited (£8.3m), when considered as one cash-generating unit. This resulted from carrying out a review to assess their recoverable amounts, following recent financial performance. Recoverable amounts were based on best estimates of fair value less selling costs.

7. Investments - continued

(a) Subsidiaries (continued):

The carrying value as well as the performance of material subsidiaries is summarised below:

	Company number (Charity number)		Investment carrying value	Total income	Total expenditure	Profit / (loss)	Assets	Liabilities	Funds
			£m	£m	£m	£m	£m	£m	£m
City and Guilds International Limited	1894671	2024	1.0	6.9	(3.2)	3.7	14.9	(0.7)	14.2
	(312832)	2023	1.0	7.0	(4.2)	2.8	11.2	(0.8)	10.4
City and Guilds Kineo Limited	07150983	2024	5.3	7.6	(7.9)	(0.3)	2.2	(2.7)	(0.5)
	(N/A)	2023	9.5	7.5	(9.0)	(1.5)	2.7	(2.9)	(0.2)
Kineo Group Inc	26-4747460	2024	-	4.9	(4.8)	0.1	1.6	(1.1)	0.5
	(N/A)	2023	-	5.7	(5.4)	0.3	2.0	(1.7)	0.3
The Oxford Group Consulting and Training Limited	02828084	2024	6.1	10.0	(8.3)	1.7	2.8	(1.7)	1.1
	(N/A)	2023	6.1	6.8	(6.8)	-	1.1	(1.5)	(0.4)
Interact Learning Pty Limited	095674285	2024	10.4	7.1	(7.0)	0.1	3.0	(4.0)	(1.0)
	(N/A)	2023	18.7	7.6	(7.2)	0.4	3.0	(4.0)	(1.0)
Gen II Engineering & Technology Training Ltd	03804696	2024	8.8	11.3	(12.6)	(1.3)	6.0	(3.1)	2.9
	(N/A)	2023	8.8	11.0	(13.4)	(2.4)	6.9	(2.7)	4.2
Intertrain UK Limited	04696164	2024	5.6	15.5	(15.5)	-	2.1	(1.6)	0.5
	(N/A)	2023	5.6	10.9	(10.8)	0.1	1.5	(1.0)	0.5
TradeSkills 4U Limited *	10910988	2024	6.0	9.2	(10.2)	(1.0)	3.4	(5.9)	(2.5)
	(N/A)	2023	6.0	7.2	(7.6)	(0.4)	2.1	(3.5)	(1.4)

* 2023 trading results include the period from acquisition on 1 November 2022.

7. Investments - continued

(b) Financial investments

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
At 1 September	34.0	40.3	34.0	40.3
Additions	27.6	7.8	27.6	7.8
Disposals	(26.2)	(13.3)	(26.2)	(13.3)
Movements in fair value	4.1	(0.2)	4.1	(0.2)
Impairments	-	(0.6)	-	(0.6)
31 August	39.5	34.0	39.5	34.0

Financial investments include £38.1m (2023: £33.0m) investments in funds at year end.

Holdings of investments in funds at 31 August 2024 are as follows: 19.4% (2023: 40.0%) is invested in the Trojan Fund, 18.5% (2023: 20.6%) is invested in The Partners Fund, 19.4% (2023: Nil) is invested in the AEGON Fund, 42.7% (2023: Nil) is invested in the LGIM Fund and Nil (2023: 39.4%) is invested in the Vanguard LifeStrategy 60% Equity Fund.

At 31 August 2024, the historical cost of these investments in funds of the Group and Institute amounted to £34.0m (2023: £30.8m).

Holdings in other investments comprise £1.4m (2023: £1.0m) in New Markets Education Partners Fund.

8. Debtors: Amounts falling due within one year

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
Trade debtors	16.6	16.0	8.5	8.7
Amounts owed by subsidiary undertakings	-	-	10.3	5.9
Loans owed by subsidiary undertakings	-	-	7.9	6.9
Other debtors	7.1	4.6	1.5	1.3
Prepayments	4.9	3.7	3.0	2.0
	28.6	24.3	31.2	24.8

The provision recognised in the Group's expenditure for the year in respect of bad and doubtful trade debts was £0.3m (2023: £0.2m). The provision recognised in the Institute's expenditure for the year in respect of bad and doubtful trade debts was £0.1m (2023: £0.1m).

9. Creditors: amounts falling due within one year

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
Trade creditors	6.9	5.0	4.2	2.9
Amounts owed to subsidiary undertakings	-	-	14.5	10.9
Taxation and social security	3.7	3.3	1.1	1.1
Other creditors	1.1	0.8	1.6	1.5
Accruals	11.3	14.5	5.6	8.5
Deferred income	14.1	14.8	7.0	7.2
	37.1	38.4	34.0	32.1

Deferred income:

	Group Year ended 31 August 2024	Group Year ended 31 August 2023	Institute Year ended 31 August 2024	Institute Year ended 31 August 2023
	£m	£m	£m	£m
At 1 September	14.8	16.3	7.2	8.0
Deferred in the year	13.8	14.3	7.0	7.2
Released in the year	(14.5)	(15.8)	(7.2)	(8.0)
At 31 August	14.1	14.8	7.0	7.2

Deferred income relates to income that has been billed at the balance sheet date but is recognised over time as performance obligations are met. Fee income relating to registrations is deferred and recognised over the course delivery period. Income receivable from long-term contracts to provide other services or solutions is recognised on the basis of percentage of completion of the contract. Refer to the accounting policy in Note 1.7.

10. Creditors: amounts falling due after one year

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
Other creditors	0.9	1.5	-	0.6
	0.9	1.5	-	0.6

11. Provisions for liabilities and charges

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
At 1 September	0.7	1.0	0.7	0.7
Provided in the year	0.2	-	0.1	-
Utilised in the year	-	(0.1)	-	-
Released in the year	-	(0.2)	(0.2)	-
At 31 August	0.9	0.7	0.6	0.7

The above totals contain amounts related to provisions for the dilapidation costs that will crystallise on termination of building leases (Group 2024: £0.9m, 2023: £0.7m; Institute 2024: £0.6m, 2023: £0.7m). The exact cost of these dilapidations will only be known once the leases are terminated.

12. Funds

Analysis of Group net assets between funds:

	Restricted	Unrestricted	At 31 August 2024	Restricted	Unrestricted	At 31 August 2023
	£m	£m	£m	£m	£m	£m
Tangible and intangible fixed assets	-	57.6	57.6	-	59.6	59.6
Investments	3.5	36.0	39.5	3.5	30.5	34.0
Net current assets	-	6.4	6.4	-	10.2	10.2
Provisions	-	(0.9)	(0.9)	-	(0.7)	(0.7)
Creditors: amounts falling due after one year	-	(0.9)	(0.9)	-	(1.5)	(1.5)
Defined benefit pension scheme liability	-	(17.6)	(17.6)	-	(15.1)	(15.1)
Net assets at 31 August	3.5	80.6	84.1	3.5	83.0	86.5

12. Funds - continued

Analysis of Institute net assets between funds:

	Restricted	Unrestricted	At 31 August 2024	Restricted	Unrestricted	At 31 August 2023
	£m	£m	£m	£m	£m	£m
Tangible and intangible fixed assets	-	30.5	30.5	-	27.9	27.9
Investments	3.5	79.2	82.7	3.5	86.2	89.7
Net current assets	-	4.0	4.0	-	10.3	10.3
Provisions	-	(0.6)	(0.6)	-	(0.7)	(0.7)
Creditors: amounts falling due after one year	-	-	-	-	(0.6)	(0.6)
Defined benefit pension scheme liability	-	(17.6)	(17.6)	-	(15.1)	(15.1)
Net assets at 31 August	3.5	95.5	99.0	3.5	108.0	111.5



12. Funds - continued

Analysis of movement in the funds of the Group and Institute:

	At 1 September 2023	Income	Expenditure	Other Movements	At 31 August 2024
	£m	£m	£m	£m	£m
Group:					
Unrestricted					
General	94.8	173.1	(171.9)	(0.7)	95.3
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.5	0.1	(0.6)	-	2.0
Defined benefit pension scheme reserve	(15.1)	-	(1.4)	(1.1)	(17.6)
Total unrestricted funds	82.6	173.2	(173.9)	(1.8)	80.1
Restricted					
City & Guilds Land Based Services (NPTC)	3.1	0.2	(0.1)	(0.1)	3.1
Brookes Metzger Bursary	0.4	-	-	-	0.4
Total restricted funds	3.5	0.2	(0.1)	(0.1)	3.5
Non-controlling interest	0.4	0.7	(0.6)	-	0.5
Total	86.5	174.1	(174.6)	(1.9)	84.1
Institute:					
Unrestricted					
General	120.2	101.3	(97.9)	(12.9)	110.7
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.5	0.1	(0.6)	-	2.0
Defined benefit pension scheme reserve	(15.1)	-	(1.4)	(1.1)	(17.6)
Total unrestricted funds	108.0	101.4	(99.9)	(14.0)	95.5
Restricted					
City & Guilds Land Based Services (NPTC)	3.1	0.2	(0.1)	(0.1)	3.1
Brookes Metzger Bursary	0.4	-	-	-	0.4
Total restricted funds	3.5	0.2	(0.1)	(0.1)	3.5
Total	111.5	101.6	(100.0)	(14.1)	99.0

12. Funds - continued

Analysis of movement in the funds of the Group and Institute – prior year:

	At 1 September 2022	Income	Expenditure	Other Movements	At 31 August 2023
	£m	£m	£m	£m	£m
Group:					
Unrestricted					
General	106.9	157.6	(165.1)	(4.6)	94.8
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.8	-	(0.3)	-	2.5
Defined benefit pension scheme reserve	(10.3)	-	(1.4)	(3.4)	(15.1)
Total unrestricted funds	99.8	157.6	(166.8)	(8.0)	82.6
Restricted					
City & Guilds Land Based Services (NPTC)	3.4	-	(0.3)	-	3.1
Brookes Metzger Bursary	-	0.4	-	-	0.4
Total restricted funds	3.4	0.4	(0.3)	-	3.5
Non-controlling interest	0.2	1.0	(0.8)	-	0.4
Total	103.4	159.0	(167.9)	(8.0)	86.5
Institute:					
Unrestricted					
General	127.0	94.2	(96.3)	(4.7)	120.2
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.8	-	(0.3)	-	2.5
Defined benefit pension scheme reserve	(10.3)	-	(1.4)	(3.4)	(15.1)
Total unrestricted funds	119.9	94.2	(98.0)	(8.1)	108.0
Restricted					
City & Guilds Land Based Services (NPTC)	3.4	-	(0.3)	-	3.1
Brookes Metzger Bursary	-	0.4	-	-	0.4
Total restricted funds	3.4	0.4	(0.3)	-	3.5
Total	123.3	94.6	(98.3)	(8.1)	111.5

Unrestricted

Institute
Within the Institute’s unrestricted funds are prize and trust funds of £0.02m (2023: £0.02m).

Subsidiary charities

The unrestricted funds of each subsidiary are given in Note 7(a).

Designated

The Skills Development Fund was created by the Institute. Its aim is to invest in new and innovative activities which have a demonstrable impact; create long-term and sustainable change; deliver real benefit to the education sector, employers and/or learners; and reflect the Group’s global profile.

12. Funds - continued

Restricted

City & Guilds Land Based Services (NPTC)

The City & Guilds Land Based Services (NPTC) Fund relates to assets transferred from City & Guilds Land Based Services (NPTC) whose use is restricted to the advancement of education and training by means of the establishment and/or administration of schemes of Proficiency Tests, Vocational Qualifications, Certificates of Competence, Certificates of Qualification and other such awards in agriculture, horticulture, forestry and other industries as the Institute shall from time to time decide. It is the intention of the Trustees of The City and Guilds of London Institute to continue to support specific land-based activities through such things as research, grants and bursaries, product development and other industry initiatives.

Brookes Metzger Bursary

The Fund represents a bursary to provide opportunities to pursue a career in engineering through high-level technical qualifications to be provided in partnership with the University of Cumbria.

13. Reconciliation of net income / (expenditure) to cash flows used in operating activities

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Net income / (expenditure)	3.6	(9.6)
Adjustments for:		
Investment income	(0.7)	(0.6)
Depreciation and impairment	2.0	2.2
Amortisation	7.7	8.5
Taxation	0.3	0.2
(Gain) / loss on investment assets	(4.1)	0.8
Gain on disposal of investment	-	(0.1)
Loss on disposal of fixed assets	0.1	0.3
Foreign translation	(0.3)	0.4
Defined benefit net expense	1.4	1.4
Increase in debtors	(4.3)	(4.1)
Decrease in creditors	(1.9)	(3.6)
Increase / (decrease) in provisions	0.2	(0.3)
Defined benefit pension contributions	(4.6)	(4.3)
Cash flows used in operating activities	(0.6)	(8.8)

14. Group staff costs

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Wages and salaries	71.9	69.9
Social security	8.0	7.6
Redundancy payments	0.8	1.2
Pension	7.3	7.1
	88.0	85.8

The above staff costs include bonus and long service award costs. Severance payments totalling £0.8m (2023: £1.2m) were made during the year. Pension costs for the defined benefit scheme was £1.4m (2023: £1.4m) and for the defined contribution scheme was £5.9m (2023: £5.7m).

	Year ended 31 August 2024	Year ended 31 August 2023
Average number of staff (headcount):		
Educational services	994	932
Other trading activities	614	616
Governance	2	2
	1,610	1,550

14. Group staff costs - continued

	Year ended 31 August 2024	Year ended 31 August 2023
Number of staff whose emoluments fell within the following bands:		
£60,001 - £70,000	138	106
£70,001 - £80,000	76	70
£80,001 - £90,000	46	40
£90,001 - £100,000	32	31
£100,001 - £110,000	20	17
£110,001 - £120,000	12	10
£120,001 - £130,000	4	4
£130,001 - £140,000	7	6
£140,001 - £150,000	3	5
£150,001 - £160,000	5	3
£160,001 - £170,000	3	3
£170,001 - £180,000	-	1
£180,001 - £190,000	1	2
£190,001 - £200,000	1	4
£210,001 - £220,000	1	-
£220,001 - £230,000	-	1
£230,001 - £240,000	-	2
£240,001 - £250,000	1	-
£250,001 - £260,000	1	-
£270,001 - £280,000	2	1
£280,001 - £290,000	-	1
£340,001 - £350,000	-	1
£440,001 - £450,000	1	-
£470,001 - £480,000	-	1

14. Group staff costs - continued

Emoluments in the above bands comprise salaries, bonus and benefits in kind, and severance payments of £0.6m (2023: £0.8m) but exclude employer’s pension contributions and employer’s national insurance contributions.

None of these staff (2023: Nil) accrued retirement benefits under the defined benefit section of the City and Guilds (1966) Pension Scheme until it was closed on 30 June 2018. 345 of these staff (2023: 297) are accruing retirement benefits under defined contribution arrangements during the year. Contributions to the defined contribution scheme in respect of these staff were £2.6m (2023: £2.4m).

Executive Leadership Team remuneration

The total remuneration, including salaries, bonus, taxable benefits-in-kind, severance^ and employer’s pension contributions, of the Executive Leadership Team (including the Chief Executive Officer) during the year was £1,810,260 (2023: £2,486,347). Members of the Executive Leadership Team participate in the Institute’s pension schemes on the same terms as other staff members, except that they may elect to take earned contributions in excess of £10,000 as cash. Reasons for the decrease in remuneration from the previous year relate to a downsizing of the Executive Leadership Team. The total remuneration of the Chief Executive Officer was £448,174, comprising salary of £324,960, benefits of £56,214 and bonus of £67,000 (2023: total remuneration of £478,503, comprising salary of £301,920, benefits of £58,834 and bonus of £117,749).

^Severance applicable to 2023 only.

15. Expenses reimbursed to Trustees

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Travel and subsistence expenses reimbursed	0.01	0.01

	Year ended 31 August 2024	Year ended 31 August 2023
Number of Trustees in receipt of expense reimbursements	8	7

16. Emoluments to Trustees

Indemnity insurance is paid on the Trustees’ behalf. No remuneration was paid to any Trustee during the year (2023: £Nil) nor did they receive any other benefits from employment with the charity or its subsidiaries during the year (2023: £Nil).

17. Operating leases

Total minimum lease payments under non-cancellable operating leases were as follows:

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
Land and buildings:				
Within one year	2.3	2.1	0.8	0.8
In two to five years	4.4	4.2	1.1	1.0
Over five years	17.7	18.3	17.4	17.6
Other:				
Within one year	0.4	0.3	0.4	0.3
In two to five years	0.6	0.3	0.6	0.3
Total	25.4	25.2	20.3	20.0

18. Pensions

The Institute provides a pension scheme, the City and Guilds (1966) Pension Scheme, which comprises both defined contribution and defined benefit sections. Total contributions to the defined contribution sections for the year were £5.9m (2023: £5.7m). For the Institute and member contributions to the defined benefit sections for the year, please refer to Note 18(d). Both sections are approved by HM Revenue and Customs with their assets each held separately from those of the Group.

There were no prepaid or outstanding contributions in relation to the defined contribution scheme as at 31 August 2024 (2023: £Nil).

A triennial valuation of the City & Guilds (1966) Pension scheme was carried out by independent qualified actuaries Willis Towers Watson at 30 September 2023. This valuation disclosed a funding deficit amounting to £26.5m with deficit recovery plan annual payments of £3.6m from 1 October 2023 to 31 December 2031 increasing annually by CPI inflation. The final salary section of the scheme was closed to new entrants on 30 June 2018. The final salary section of the scheme was closed to future accrual on 1 April 2019.

Disclosure in relation to the defined benefit scheme is in accordance with FRS102.

(a) Amounts recognised in the Balance Sheets

	31 August 2024	31 August 2023
	£m	£m
Fair value of Scheme assets	144.0	141.7
Present value of funded obligations	(161.6)	(156.8)
Net liability	(17.6)	(15.1)

18. Pensions - continued

(b) Amounts recognised in the Statement of Financial Activities

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Administration expenses	(0.7)	(1.0)
Net interest charge	(0.7)	(0.4)
Total included in net income/expenditure	(1.4)	(1.4)
Actuarial (loss) / gain on scheme obligations	(3.7)	45.1
Return on assets less than discount rate	(2.0)	(52.8)
Total debit in Statement of Financial Activities	(7.1)	(9.1)

(c) Changes in the present value of the Scheme obligations

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
At 1 September	156.8	200.3
Administration expenses	0.7	1.0
Interest charge on Scheme liabilities	8.3	8.3
Loss / (gain) on change in assumptions	3.7	(45.1)
Benefit payments including expenses	(7.9)	(7.7)
At 31 August	161.6	156.8

(d) Changes in fair value of Scheme assets

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
At 1 September	141.7	190.0
Interest on assets	7.6	7.9
Return on assets	(2.0)	(52.8)
Institute contributions	4.6	4.3
Benefit payments including expenses	(7.9)	(7.7)
At 31 August	144.0	141.7

The Group expects to make normal contributions of £Nil (2023: £Nil), deficit payments of £3.7m (2024 actual: £4.6m) and have admin expenses of £1.0m (2024 actual: £0.7m) during the next financial year. Some of the Group’s tangible fixed assets are provided as further asset security to the Pension Scheme (refer to note 6 for details).

18. Pensions - continued

(e) Major categories of assets as % of total assets

	Year ended 31 August 2024	Year ended 31 August 2023
	%	%
Equities	5.4	-
Bonds	54.4	41.6
Property	7.8	8.7
Diversified Growth Funds	31.1	38.0
Cash and other	1.3	11.7

(f) Principal actuarial assumptions at the Balance Sheet date

	Year ended 31 August 2024	Year ended 31 August 2023
	%	%
Rate of increase in salaries above inflation rate	0.50	0.50
Rate of increase in pensions in payment	2.90	3.05
Discount rate	4.95	5.40
Inflation rate assumption (RPI)	3.05	3.25
Inflation rate assumption (CPI)	2.65	2.85

The post-retirement mortality assumptions adopted at 31 August 2024 are in line with the standard SAPS S3 All Pensioners tables with a multiplier of 92% (2023: SAPS S2 with 97%) and future improvements based on the CMI 2023 core projections with a long-term trend of 1.50% pa and initial addition of 0.25% (2023: CMI 2022 with same assumptions).

19. Parent charity Income and Expenditure account

The City and Guilds of London Institute has not presented its own Income and Expenditure account. The income of the parent charity is £101.6m (2023: £94.6m) and the net expenditure for the year to 31 August 2024 is £6.8m (2023: net expenditure of £4.4m).

20. Related party transactions

Transactions with related parties are set out below.

	As at 31 August 2024		Year ended 31 August 2024		
	Amounts due from	Amounts due to	Sales to	Purchases from	Interest received
	£m	£m	£m	£m	£m
Institute: Subsidiary undertakings					
City and Guilds International Limited and its subsidiaries	2.6	14.2	1.8	-	-
City and Guilds Kineo Ltd	0.8	-	1.0	0.1	-
City and Guilds Enterprises Ltd	-	0.3	-	-	-
The Oxford Group	0.1	-	-	-	-
Gen II Engineering & Technology Training Ltd	1.9	-	0.7	-	-
Intertrain UK Limited	3.5	-	0.5	-	-
TradeSkills 4U Group	9.3	-	0.9	-	0.6
Total	18.2	14.5	4.9	0.1	0.6

	As at 31 August 2023		Year ended 31 August 2023		
	Amounts due from	Amounts due to	Sales to	Purchases from	Interest received
	£m	£m	£m	£m	£m
Institute: Subsidiary undertakings					
City and Guilds International Limited and its subsidiaries	2.0	10.6	2.1	-	-
City and Guilds Kineo Ltd	1.1	-	1.6	0.1	-
City and Guilds Enterprises Ltd	-	0.3	-	-	-
The Oxford Group	0.3	-	0.3	-	-
Gen II Engineering & Technology Training Ltd	0.7	-	1.2	-	-
Intertrain UK Limited	1.8	-	1.8	-	-
TradeSkills 4U Group	6.9	-	0.5	-	0.4
Total	12.8	10.9	7.5	0.1	0.4

Unless specified otherwise, amounts due from and to subsidiary undertakings are repayable on demand. Transactions with subsidiary undertakings are primarily for intra-group services and cross company recharges. Net amounts due to City and Guilds International Limited and its subsidiaries totalled at £11.6m as at 31 August 2024 (2023: £8.6m).

The total compensation paid to key management personnel for services provided to the Group, including employer’s national insurance contributions, was £2.1m (2023: £2.8m).

21. Financial instruments

The Group’s and Institute’s financial instruments measured at fair value may be analysed as follows:

	Group 31 August 2024	Group 31 August 2023	Institute 31 August 2024	Institute 31 August 2023
	£m	£m	£m	£m
Financial assets measured at fair value				
Investments in funds	38.1	33.0	38.1	33.0
	38.1	33.0	38.1	33.0

Financial assets measured at fair value through the statement of financial activities comprise investments in a trading portfolio of listed company shares. The basis of determining fair value for these investments is by reference to open market value. For investments in funds, open market value is determined by the fund manager based on the net asset value of the underlying investments.

22. Commitments and contingencies

In 2023 the Institute entered into a subscription agreement to invest in a partnership, New Markets Education Partners Fund, providing opportunities to invest in securities of education and workforce related companies. Funds that have been contracted but not yet drawn down are shown as commitments as follows:

	Year ended 31 August 2024	Year ended 31 August 2023
	£m	£m
Institute and Group:		
Within one year	1.4	1.2
In two to five years	1.2	1.1
Total	2.6	2.3

On 21 April 2022, the Institute signed a Deed of Guarantee to become primary obliger in guaranteeing the obligations and liabilities of its subsidiary Intertrain UK Limited in connection with the 2020 ESFA apprenticeship agreement between Intertrain and the Department for Education. The Trustees consider the likelihood of its subsidiary failing to perform its obligations to be not probable and are of the view that no material losses or liabilities will arise in respect of the guarantee.

On 11 September 2023, the Institute provided a standby letter of credit for £350,000 in respect of card payment and banking facilities related to TradeSkills 4U Limited.



About *City & Guilds*

For over 140 years we have worked with people, organisations and economies to help them identify and develop the skills they need to thrive. We understand the life changing link between skills development, social mobility, prosperity and success.

Everything we do is focused on developing and delivering high-quality training, qualifications, assessments and credentials that lead to jobs and meet the changing needs of industry.

We partner with our customers to deliver work-based learning programmes that build competency to support better prospects for people, organisations and wider society. We create flexible learning pathways that support lifelong employability, because we believe that people deserve the opportunity to (re)train and (re)learn again and again – gaining new skills at every stage of life, regardless of where they start.

As a Royal Chartered Institute and a registered charity, everything we do is charitable. We invest our surplus into targeted acquisitions and

expanding and enhancing our solutions across all of our brands, to meet the changing needs of organisations and industries. We collaborate with industries and governments to campaign for systemic improvements across the global skills training system.

Through our foundation, part of The City and Guilds of London Institute, we amplify our purpose by focusing on high impact social investment, recognition and advocacy programmes which remove barriers to getting a job, celebrate best practice on the job and advocate for jobs of the future.

The City & Guilds community of brands includes Gen2, ILM, Intertrain, Kineo, The Oxford Group and TradeSkills 4U.



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