

College	Going concern narrative
UHI Moray	Financial Statements prepared on a going concern basis and the auditor, Deloitte, has accepted that as being appropriate
UHI Perth	<p>Going Concern</p> <p>The financial sustainability challenges are set out in the Principal’s report above. There has been no communication from the Scottish Government that the College will be wound up and on that basis UHI Perth is considered a going concern. However, given the financial challenges of the organisation and forecast deficits for the financial years 2023/24 and beyond the Board sought additional assurances from the Scottish Funding Council (SFC) that financial support would be made available if required. In response, the SFC sent UHI Perth a letter of comfort in March 2024 confirming that they will continue to work with the sector and individual colleges and regions to help manage cash flow issues for the period of 12 months from the date of approval of our balance sheet. The Board of Management therefore confirms that they consider the College to be a going concern over the period of 12 months from the date of signing the accounts as described in the Code of Good Governance for Scotland’s Colleges 2016 (section C.1.3) and that the financial statements have been prepared on this basis as set out in Note 1 of these financial statements.</p>
Dundee and Angus College	The Board of Management considers that the College has adequate resources and arrangements to ensure the continuation of its functions within the public sector for the foreseeable future.
Ayrshire College	<p>Going Concern</p> <p>After making appropriate enquiries, the Board of Management considers that the College has adequate resources to continue operations for 2023-24. In addition, the Audit Scotland guidance ‘Going Concern in the Public Sector’ states that “the use of the going concern basis of accounting will always be appropriate for public bodies”. For this reason, Ayrshire College continues to adopt the going concern basis in preparing the financial statements.</p> <p>Conclusions Relating to Going Concern Basis of Accounting</p> <p>We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p> <p>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 college’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.</p> <p>These conclusions are not intended to, nor do they, provide assurance on the college’s current or future financial sustainability. However, we report on the college’s arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.</p>
New College Lanarkshire	Having considered all relevant internal and external factors and planning mitigations, the Board of Management is satisfied that the Region has adequate resources and funding support to continue in operation for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of Financial Statements.
City of Glasgow College	While acknowledging the unprecedented financial and funding challenges the College and the sector face, as outlined in the Performance Report in pp3-5, the Board is satisfied that the College has adequate resources to continue in operation for the foreseeable future. For this reason, the financial statements have been prepared on a going concern basis.
City of Glasgow College	<p>Going Concern</p> <p>While acknowledging the unprecedented financial and funding challenges the College and the sector face, as outlined in the Performance Report in pp3-5, the Board is satisfied that the College has adequate resources to continue in operation for the foreseeable future. For this reason, the financial statements have been prepared on a going concern basis.</p>
West Lothian College	Not yet agreed with auditors

Edinburgh College	<p>The annual financial statements are prepared on a 'going concern' basis. The College meets its day-to-day and medium to long-term funding requirements through a combination of cash draw-down from the SFC and income generated from commercial and international activities. The College has a term loan provided by its bankers and under the terms of the loan agreement the College must meet certain financial covenants which were met during 2023/24.</p> <p>In the academic year 2023/24, the College operated under the new Edinburgh College Strategic Plan which outlines key strategic priorities beyond 2023. The Board of Management recognises that the most significant risk to the College relates to financial sustainability and the College's ability to manage its activities and deliver its outcomes within the current funding environment. The College concluded a staff voluntary severance scheme during the year in which it delivered further efficiency savings to enable it to operate within its reduced funding level.</p> <p>The College is planning for growth in recurring alternative income (non SFC) to mitigate future pay and funding pressures. The Key Issues and Risks section of the Performance Report outlines the College's top risks (which includes financial sustainability) and mitigation plans. Funding allocations are confirmed by the SFC on an annual basis and the 2024/25 allocation has been agreed.</p> <p>The College continues to provide three to five-year financial forecasts to the SFC annually or as required. The College believes that the SFC will provide the liquidity funding required and therefore it is appropriate to prepare the accounts using the going concern basis.</p>
Newbattle Abbey College	<p>The activities of the College, together with the factors likely to affect its future development and performance are set out in the Directors report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.</p> <p>Based on financial forecasts prepared, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.</p> <p>In reaching this conclusion, the Board has also considered the increasing cost of living concerns and consider it appropriate to prepare the financial statements on a going concern basis of preparation for the reasons as set out in the Directors' Report.</p>
Shetland UHI	<p>In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.</p> <p>Our responsibilities and the responsibilities of the Trustees' with respect to going concern are described in the relevant sections of this report.</p>
Dumfries and Galloway	<p>As with the other colleges in the sector, D&amp;G College are facing increasing costs due to pay and other inflation, with no increase in core funding. we will eventually reach a point where we will be unable to meet ongoing costs within the existing funding envelope.</p> <p>In addition, we receive small amounts of additional funding which tend to have conditions attached which are difficult to fully achieve. Combined with a reduction in the flexibility of use for capital funds, this also puts additional pressure on our core activities.</p>

We continue to adhere to the Audit Scotland view that colleges should be seen as going concerns, which is a separate issue from that of financial sustainability. Below is the wording from the various sections within our 22.23 Financial Statements - the 23.24 accounts are not started yet. If you would like to discuss further please get in touch with [senga.mckerr@forthvalley.ac.uk](mailto:senga.mckerr@forthvalley.ac.uk).

#### Performance Report

The Board of Management has assessed the financial position of the College for the year ended 31 July 2023 and its future financial position to support the going concern basis of preparation in the financial statements, and ensure completeness and accuracy of related disclosures. Further detail is provided in Note 1.

The conclusion from the assessment of financial position is that it is considered appropriate to adopt a going concern basis for the preparation of these annual financial statements.

#### Corporate Governance Report

The Board of Management believes that all liabilities in the Balance Sheet can be met as these fall due from cash reserves or future funding. The Board of Management has no reason to believe that future support from Scottish Funding Council will not be forthcoming and on that basis these financial statements have been prepared on a going concern basis.

The Board of Management has assessed the future financial position of the College, and believes that it is appropriate for these financial statements to be prepared on a going concern basis.

#### Note to the accounts

The College's financial statements for 2022-23 have been prepared on a going concern basis. The going concern assessment period considered by the College covers the period from the approval of these financial statements through to 31 December 2024. As a public body, the College is presumed to be a going concern unless there is a stated intention to withdraw the statutory services it provides under legislation. We have not been informed by the Scottish Government of any such intention.

Cashflow projections have been prepared for 19 months from the date of approval of these financial statements, up to 31 July 2025, based on the financial forecasts prepared for the Scottish Funding Council. This position would result in cash at the end of the going concern period of £2.1m, and no lower than £1.8m through the lowest point of the going concern period.