

Cirencester College

Members' Report and Financial Statements

Year ended 31 July 2025

Contents

	Page
Key Management Personnel, Board of Governors and Professional Advisors	3
Strategic Report – Operating and Financial Review incl. Public Value Statement	4
Statement of Corporate Governance and Internal Control	21
Statement of regularity, propriety and compliance	32
Statement of Responsibilities of the Members of the Corporation	33
Independent Auditor's Report to the Members of Cirencester College	35
Independent Reporting Accountant's Assurance Report on Regularity	39
Statement of Comprehensive Income	41
Statement of Changes in Reserves	42
Balance Sheet as at 31 July	43
Statement of Cash Flows	44
Notes to the Accounts	45

Key Management Personnel, Board of Governors and Professional Advisers

Key Management Personnel

Key management personnel are members of the College Senior Leadership Team and were represented by the following in 2024/25:

Matt Reynolds	Principal and Chief Accounting Officer
Karen Fraser	Vice Principal: Student experience & External relations
Matt Couzens	Vice Principal: Quality & Standards
Rich Stonebridge	Vice Principal: Teaching and Learning Development
Giles Robinson (appointed Mar 2025)	Vice Principal: Chief Financial Officer
Mahalah Gleed	Head of Human Resources
Jane Fern	Strategic Development Manager
Angelo Faria (retired March 2025)	Finance Director

Board of Governors

A full list of governors is given on pages 22 to 24 of these financial statements.

Mrs Suzanna Miles is Governance Manager (appointed March 2025). Mrs. Jeannie Adam, Clerk to the Corporation retired March 2025.

Professional Advisers

Financial statements auditors and reporting accountants

Forvis Mazars LLP
8th Floor
Assembly Building C
Cheese Lane
Bristol
BSS 0JJ

Internal auditors

MHA Solutions Ltd
53 Wheatfield Drive
Wick-St-Lawrence
Weston-Super-Mare
BS22 9WD

Bankers

Lloyds Bank Plc
14 Cricklade Street
Cirencester
GL7 2NU

Solicitors

Knights Solicitors LLP
Eagle Tower
Montpellier Drive
Cheltenham
GL50 1TA

Strategic Report - Operating and Financial Review

NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited financial statements for the year ended 31 July 2025.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Cirencester College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. HMRC recognises Cirencester College as a charity for tax purposes under reference XT25961.

The College is designated as a sixth form college, with its main funder, the Department for Education (DfE). On 29 November 2022, the Office for National Statistics reclassified all college corporations to the central government (public sector) sector, prompting the Department for Education to introduce new financial, operating and reporting rules for colleges, taking immediate effect.

Mission

Cirencester College stands as the premier specialist Sixth Form College for Swindon, North Wiltshire, and Gloucestershire. We aim to ensure that every student acquires the skills, knowledge, and qualifications necessary to thrive in a rapidly changing world. We are dedicated to fostering a culture of excellence and high performance, where every learner is supported and developed to reach their full potential.

Our mission is to be recognised as a leading provider of sixth form education in England, shaping the future of further education with a steadfast commitment to quality, inclusivity, and high performance. We aspire to achieve 'transformative futures' which essentially means pioneering excellence in further education.

Vision

Our vision is to fully prepare learners for their next stage, whether it be further education or employment, by delivering exceptional educational programs. This is driven by our unwavering commitment to preparing learners for the challenges of the future, fostering creativity, and equipping them with the skills needed to excel in the world. We are dedicated to ensuring that every student receives a high-quality education that empowers them to achieve their full potential.

The Cirencester Way

The Cirencester Way (or Cirenway) is a collection of attitudes, behaviours and approaches developed by the College over a number of years and it ultimately supports our core values and informs our ethos. We are highly effective by offering robust support to meet high standards, adopting agile management, maintaining high expectations, and by modelling a kind, caring, and positive environment. These elements work systematically to develop learners not just academically but holistically, preparing them to be the best they can be and to contribute meaningfully to society.

Cirenway is not only our amazing systems and curriculum (anybody could have those), it's us. The adults here and how we operate. Our devoted attitudes, approaches and behaviours towards young people to help them be the best they can be.

Public Value Statement

Cirencester College stands as the premier specialist Sixth Form College for Swindon, North Wiltshire, and Gloucestershire. Our mission is to ensure that every student acquires the skills, knowledge, and qualifications necessary to thrive in a rapidly changing world. We are dedicated to fostering a culture of excellence and high performance, where every learner is supported and developed to reach their full potential.

The essence of the 'Cirencester Way' is rooted in our unwavering ambition for all our students. We challenge each individual to excel, setting high expectations and providing the guidance and support needed to achieve outstanding results. Our commitment to excellence drives us to create an environment where students are encouraged to push their boundaries and strive for greatness, within a curriculum designed to meet regional and national needs designed in partnership with our stakeholders.

Respecting and nurturing individuals is at the heart of our approach. We recognise the unique strengths and needs of each student, offering personalised support that fosters growth and development. By creating a supportive and inclusive atmosphere, we ensure that every learner feels valued and empowered to succeed.

We are dedicated to developing independent, resilient, and employable citizens. Our curriculum and extracurricular activities are designed to build essential life skills, preparing students to navigate the complexities of the modern world with confidence and adaptability. We emphasise the importance of resilience, encouraging students to persevere through challenges and emerge stronger.

How we will evidence the value we add to our community:

- Strategic Plan
- Minutes of Corporation meetings
- Annual Report & Accounts
- OFSTED Reporting

The College will review and update its Public Value Statement on an annual basis as part of its regular review of the College's Strategic Plan.

Public Benefit

Cirencester College is an exempt charity under the Part 3 of the Charities Act 2011 and from 1 September 2013, is regulated by the Secretary of State for Education for Sixth Form Colleges. The members of the Governing Body who are trustees of the charity, are disclosed on pages 22 to 24.

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

Our delivery of public benefit is covered throughout the Operating and Financial Review but may be summarised as:

- High-quality teaching to 16-19s and adults to enable progression to higher education and skilled technical employment and apprenticeships
- Widening participation and tackling social exclusion
- Narrowing the gap to zero attainment from disadvantaged learners to those that are not
- Excellent employment record for students
- Strong student support systems
- Strong links with local and national employers, industry and commerce
- Strong links with other local and national education delivery institutions

Implementation of Strategic Plan

Strategic goals and stretching KPIs were agreed in 2024 to cover the period 2024 to 2027. Progress against previous goals was unanimously progressive and positive. Our new goals are designed to push us even further. Feedback against the strategic plan is monitored at every Corporation Meeting. Our Strategic Goals are as follows:

One: Excellent, Relevant and Future-Ready Learning

Student-Centric Support: to ensure each individual learner experiences a personalised learning by empowering outstanding teaching and comprehensive student support services, including career counselling and personalised academic guidance, to ensure the high-quality holistic development and well-being of each and every Learner.

The Future-Ready Curriculum: to develop and continuously update a curriculum that anticipates local and national industry trends and recognised skills gaps, emphasising critical thinking, problem-solving, creativity, entrepreneurialism, and adaptability.

Technological Integration: to positively embrace and integrate emerging technologies to enhance the learning experience for Learners and enable fully efficient processes and services of the College.

Two: Innovation and Partnerships

Industry Partnerships: investment in our strategic partnerships with leading industries to ensure that our programs are relevant through collaborative curriculum design, and students have access to internships, mentorship programs, and cutting-edge research opportunities.

Global Learning Experiences: to provide opportunities for international collaboration with global institutions, and a curriculum that incorporates global perspectives.

Research and Innovation: to foster a culture of research and innovation, encouraging engagement in FE research that contributes to progressive advances.

Three: National Exemplar

Progressive Influencers: to be recognised as Leaders in Further Education and actively engaged with national bodies, sector leaders, innovative employers and Government, in reform and proactive developmental opportunities, boards and panels where the Cirencester Way can help shape the future of education. To be seen as a best practice hub with increased opportunities for staff, students and governors to engage with external events.

Environmental Initiative: to commit to a sustainability culture by implementing eco-friendly practices, promoting environmental awareness, developing our green campus initiative, and further integrating sustainability into the curriculum.

The Centre Point for Excellent Practice: to be the go-to centre for staff training and development, recognised as excellent developers, and be the exemplar others use for how to get it right.

Financial objectives and performance indicators

The College's Strategic Plan has the following underlying aims:

1. 3% annual budget surplus
2. "Good" or better financial health rating from DfE
3. £1.9m in cash
4. 3,000 students by 2027
5. "System leadership" or formal collaborations in place with some partner schools
6. £1m income from HE Apprenticeships, College Services and post 19 provision

The College's performance during 2024/25 against the financial objectives set were:

1. 4.3% operating surplus; 6.0% sector adjusted EBITDA surplus – before LGPS FRS102 pension adjustments
2. "OUTSTANDING" DfE financial health rating for 2024/25 at submission of the Financial Plan statements
3. £5.2m in cash and cash equivalents
4. 3,029 16-19 enrolments including 499 T-Level starters; 134 apprentices, 284 Adult Education Students or 3,447 in total
5. Partnership and referral arrangements with schools ongoing
6. £1.7m net income from HE, (non DfE grant) Apprenticeships, post 19 provision, other grants and College services: 92% of College income is derived from DfE education grants (note 2)

FINANCIAL POSITION

Financial results

Four comparative years in the table below reflect College success at transforming its financial position and the effect of different and more prudent pension valuation assumptions under FRS102. The College distinguishes between **operating results directly controlled by the college** and annual FRS102 pension adjustments as the table below illustrates:

Statement of Comprehensive income	2024/25 audited £000's	2023/24 audited £000's	2022/23 audited £000's	2021/22 audited £000's	2020/21 audited £000's
College operating surplus – normal service delivery	882	1,034	878	1,140	1,187
FRS 102 pension net service income/(cost)	81	105	(204)	(895)	(594)
FRS 102 pension interest income/(cost)	242	177	46	(93)	(76)
Surplus for the year	1,205	1,316	720	152	517
FRS 102 Actuarial (Loss)/Gain	(323)	(282)	158	6,397	418
Total Comprehensive Surplus for the year	882	1,034	878	6,549	935

The College has accumulated reserves of £15.5m (2023/24 £14.6m) of which cash and short-term investments comprise £5.2m. Operating surplus generating budgets in future years will augment cash holdings as a proportion of accumulated reserves which, for reporting purposes will be adjusted by annual FRS102 pension valuations.

Hyman Robertson LLP, actuaries for the Gloucestershire County Council Local Government Pension Scheme of which the College is a member, estimated that the College's share of the Scheme's financial position (calculated as per Financial Reporting Standard 102) was a nominal **unrealisable asset** of £8.363m for 2024/25 (2023/24 unrealisable asset of £4.809m). A **nil-asset presentation** has been made to reflect the unrealisable nature of the pension asset.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Short-term money market deposits of less than 12 months are placed with Lloyds bank, balancing capital matched funding commitments with expenditure profiles.

The College has a separate treasury management policy in place. Any short-term borrowing for temporary revenue purposes is authorised by the Principal. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Governors have authorised a safe and prudent level of strategic cash reserve investment in wholly or matched funded capital expenditure in order to serve the increasing enrolment demand for the College's educational provision.

Capital expenditure

2024/25 saw the continuation of a significant capital expenditure programme in order to remedy an acute student space deficit. A stable and experienced College management team are well supported by governors with substantial construction, project management and financial experience and good relationships with professional advisers in delivering building projects. Major expenditure in the year included £0.6m expenditure to complete the construction of a new Student Wellbeing Hub.

Cash flows

Operating cash net inflows are at £942k (2023/24 inflow £1,145k) with overall net cash inflow of £133k (2023/24 outflow £1,974k). Despite strong operating cash inflows, the timing differences between capital grant inflows and capital expenditure outflows will impact on the overall net position.

Liquidity

The College has a healthy cash balance and no borrowing giving no cause for concern that creditors could not be paid in accordance with agreed payment terms.

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The College currently holds no restricted reserves. As at the balance sheet date, total reserves stand at £15.5m (2023/24 £14.6m). It is the Corporation's intention to increase reserves over the life of the Strategic Plan, through the generation of annual operating surpluses net of appropriate capital expenditure.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

The College educated and earned grant funding for **3,029** 16-19 enrolments including **499** T-Level students; **134** apprentices, **284** Adult Education Students or **3,447** in total. All grant funded students received education on site.

Student Achievements 2024/25

The College has achieved another pleasing and solid set of examination and other assessment results. In terms of A-levels, the high grades were slightly lower against 2023/24 but with an improvement of A*. The pass rate improved from 92% in 2023 to 95% in 2024 to 96% in 2025.

T-Level students achieved outstanding success with a 95.9% pass rate and 99.5% completion of the industrial placement. Nationally, the pass rate is 91.4% with 96.4% of students completing the industrial placements. 75% of our courses achieved a 100% pass rate against 45% last year. One of the highlights was our Distinction* student was one of only 20 (out of 11,909 in the country) to get the top grade. We have more pathways matriculating in 2025/26.

72% of Level 3 vocational courses improved their pass rates on last year's figures (with a number maintaining their 100% pass rate). Both the pass rate overall and high grades are up 5.3 percentage points.

Significant changes have been made to our L2 transition courses in the last couple of years to ensure that students were better prepared for the next steps. The achievement rate at 92% is an excellent achievement.

Maths and English GCSE results fared very favourably against national results. Maths GCSE – including November resits: 51% grade 4 or higher (excluding November resits: 48% v Sixth Form Colleges 23%) English GCSE – including November resits: 44% grade 4 or higher (excluding November resits: 36% v Sixth Form Colleges 32%).

In terms of students progressing to university: in 2024, 95% of our students managed to secure their first-choice university against the national figure of 82%. 9 of the 12 medical students/veterinary students who secured an offer got their place. All 4 Oxbridge candidates who secured an offer got their place. 193 gained a place at Russell or Sutton 30, and that's an increase from 150 in 2024.

Curriculum Developments

Our curriculum is designed in a coordinated and dedicated way to create a meaningful and valuable offer that responds to local, regional and national needs. The superb breadth of our curriculum choice is key to being an effective college. This has been maintained throughout several years of a tough business environment as a critical part of our USP.

Strategically we continue to be leaders in the design and development of T-Level qualifications. Faculty Heads and teaching staff are engaged on national review panels at a number of levels, Vice Principal for Teaching & Learning Development continues to consult for both the Department for Education (DfE) and the Association of Colleges (AoC) on T-level development. Following our success in contributing to Level 2 reform through the T-Level Foundation programme, we have also completed a 3-year pilot working with the Department for Education as pilot deliverer of the new Academic Progression Programme which is a national reform of the Level 2 access to A-Level framework.

The use of innovation in our curriculum is also recognised both regionally and nationally by continued requests received to speak at national events for the Department for Education, Association of Colleges and sector-leading training events such as the National Festival of Education. We have also been recognised as curriculum innovators by the Sixth Form Colleges Association, winning their 2022 prize for curriculum innovation.

Our tutoring programme is reactive and meaningful when promoting central themes, such as British Values or Mindfulness, and we have fully embedded a broad selection of coaching and management skills development via the VESPA behavioural system. Higher Achiever provision has been rebranded to Programme of Excellence with a clear focus around progression and developing skills and opportunities to support students in attaining the career, HE course, Apprenticeship or self-employment route they prefer. Outstanding HESA data strongly supports our success by both the teaching and tutoring areas; highlighting how well our students are prepared for their next steps.

Our in-house training and development programme for teaching and learning has been recognised as a good programme by students and has been used as an exemplar by benchmarking colleges. The programme has been further developed and formalised through a CCF grant and released nationally as a model programme for other colleges to use.

The vast majority of our training is conducted using home-grown talent and over 120 training events are run every year. We use a tiered structure to our training. Tier One events, hosted regularly on a Monday, focus on key themes using effective professional development framework as put forward by the Education Endowment Foundation. Feedback, actions and intended implementation is captured and shared with line managers to ensure feedback loop is closed and impact is tracked. Alongside these themes we also promote our basic level of expectation and effectively providing a pre-published schedule of sessions representing a 'teacher's toolkit'. Elements are booked and advertised at the beginning of the year to enable staff and indeed line managers, to pinpoint particular sessions that should be attended by those in need.

Tier Two events recognise our ever-changing educational environment. Tier Two is often released at shorter notice; for example, a session may be put on to cover details of a new government exams policy and notified to staff with a week's notice. The Tier Two programme also acts as a vehicle for staff to cascade the training they have had. This gives a good opportunity for new staff to share their learning (often appreciated by experienced staff too). For example, a staff member may go off-site to attend a lesson observer's course. They would then come back to college and run a session in Tier Two to share the best practice and feedback on what they had learnt.

Our third training element recognises the needs of new staff. Even experienced staff from another education environment would not know how we do particular things at Cirencester College. For this, we invented the 'Cirenway' system. All new staff attend this programme which outlines the Cirencester College way of doing things from six dimensions value added measures and parents' evenings, to health and safety and performance dashboards.

The fourth element is designed to help brand new teachers. The 'Cirenway' Tier Two is meant to be followed in tandem with a teacher training programme, but can also be attended by staff who need additional training, who are under a competency process, or feel they need a refresher in an area of their practice. 'Cirenway' Tier Two covers elements such as classroom management, authority anxiety, deciphering specifications and tips on how to reduce administration. The impact of this work is monitored through thematic and internal inspections, student and parent surveys and developing the capacity of middle managers to monitor and evaluate their provision.

New curriculum areas for this year include the launch of T-Levels in marketing. We were also the first centre in the country to launch the Archaeology Apprenticeship, successfully working with learners from four different national archaeological field units. This year we are still engaged with AOC and DfE in follow up research into the APP programme.

Our curriculum continues to be of a healthy breadth to create a meaningful choice for young people. We work more closely with employers than ever before through our employer boards, which encourage greater connection between the curriculum and employer contributions, while we still find growth in areas such as adult evening class provision.

Employer Engagement

23/24 Apprenticeships

The College provides apprenticeship opportunities across a range of business and professional programmes, developed in line with employer needs.

The College currently offers 20 different business and professional apprenticeship routes at levels 2 and 3. Archaeology, for which the College is the only provider in the country, is continuing to expand. The Teaching Assistant programme started this year, and we are seeing demand for childcare following the growth in the nursery/pre-school sector, which we hope to develop next year. This year also saw the withdrawal of the AAT apprenticeships at Level 2 and 3. Whilst there is still demand for this standard, the cost of delivery and the difficulty in recruiting good teachers makes it prohibitive.

The Employer Engagement department engages with employers in Gloucestershire, Wiltshire, Bristol and Oxford for apprenticeships, T-level placements, employability and curriculum links. The team manages around 100 apprentices on programme.

Employers involved in T-levels and apprenticeships now number over 300 and include: CITB, Beard Construction, Glos NHS, Great Western Hospital Trust, Corin, Xero Avia, Kier, St James's Place, Hochtief, Wilson Tools, Ontic, Siemens, Trust Systems, Howard Tenens, Stroud District Council, Mainstream Digital, First Military Recruitment, Publica and DS Total.

Work Placements and Work Experience

T-level placements have been successfully brokered for around 450 students and almost 100% of 2024 T-level leavers completed all their placement hours in a timely way. Just one student is completing their placement hours over the summer: we are encouraging them to enable them to qualify late but before the October deadline date. Employer engagement activity is successfully securing placements earlier each year and placements for new T-levels being brokered promptly.

Those who do not have work experience as an integrated part of their curriculum, have been encouraged undertake an experience of the workplace and to record and reflect on their skills development. In Ofsted's monitoring visit in May, we were able to demonstrate reasonable progress to having every young person recording an experience and reflection.

Ofsted

Ofsted inspected the College in March 2024 deploying a team of 10 Inspectors. The College was awarded Grade 3 (Requires Improvement). The College achieved a Grade 2 (Good) for Behaviour and Attitudes, Adult Learning programmes and Apprenticeships and Grade 3 (Requires Improvement) for the other measures. Achieving a Grade 3 was a real shock and disappointment. Whilst a tough one to bear, as it was based using data heavily impacted by Covid, the response by all College stakeholders has been extremely positive. The College immediately created a working group including staff from all areas of the College, along with former staff, governors and former Ofsted inspectors as advisors. Task forces were also created to enact key curriculum changes.

Ultimately, the College was penalised for its inclusiveness, which adversely impacted the key performance indicators as some of the students struggled to achieve the grades they required consequently. This has already been addressed through academic staff involvement in the enrolment process and insurance that the students have met the entry grades. Attendance monitors have been employed to help support an improvement in attendance. Internal inspections based around Ofsted deep dives have been organised in all areas where there is room for improvement. This process involves the Vice-Principals and Faculty Heads in ensuring a rigorous and effective quality process. Training sessions with all staff are scheduled throughout the year as a means of preparing staff at all levels for the process.

In May 2025, the College had an Ofsted monitoring visit with 4 themes the focus, concerning initial advice and guidance provided to learners, assessment of the learners at the start of their courses, the participation of learners in high-quality work experience placements and the engagement with stakeholders in curriculum design. The college achieved **significant progress in numbers 1, 2 & 4 and reasonable progress in number 3**. This is an exceptional outcome and far exceeds the typical achievements attributed in such visits and adds further evidence to the rapid progress that the College has made over the last 18 months.

Benchmarking

The College continues to engage in a wide range of collaboration around quality improvement and sharing of best practices. Key partners in this are the South-West Benchmark Group of Colleges, the Midlands Sixth Form Colleges Association, the Wessex Group of 6th Form Colleges and the Maple Group of 6th Form Colleges. The College has led several successful partnership bids involving these colleges, securing funds over the past few years.

2024/25 Trades Union Facility publication

The College recognizes NUE, Unison, UCU in addition to staff representatives in a "Common Interest Group".

Table 1	2023/24	2024/25
"CIG" Common Interest group including Relevant Union Officials	fte equivalent	fte equivalent
	0.09	0.06
Table 2		
% time	No. of employees	No. of employees
1-50%	17	11
Table 3		
Total cost of facility time	6,367	3,772
Total pay bill	11,949,496	13,724,711
% of total bill on facility time	0.05	0.03
Table 4		
Time spent on trade union activities as a % of total paid facility time	6.15%	7.10%

Payment performance

The College aims to pay all suppliers to agreed terms once goods/services are received and quality checked. The College incurred no interest charges in respect of late payment for this period.

Going Concern

The Governors consider the College to be a going concern for the foreseeable future.

This judgement is based upon the Corporation's knowledge of the College's financial position: in particular, the liquidity retained in the College, its reserves and finance plan for the coming year and the period to finance year 2028-29.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives:

Financial

The College has £15.5m of net assets with rising enrolments in excess of prudent budgeted targets set.

People

The College employs **274** people (expressed as full-time equivalents), of whom **150** are teaching staff.

Reputation

The College has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and building strong external relationships.

Statement - Energy and Carbon regulations 2018

Prepared using the DfE's good practice factsheet and published on the College website.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has a system of internal control which is embedded throughout its operations. This system includes financial, operational and risk management, and is designed to protect the College's assets and reputation.

Senior management regularly review the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. These internal controls are then implemented and subsequently reviewed for their effectiveness. Senior management will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk assurance register is maintained at the College level which is reviewed thrice annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the assurance actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

A "top four" constant list of principal risks that, at any time, may affect the College and accompanying mitigating action follows. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Hostile enrolment environment leading to not achieving 16-19 enrolment targets.

The impact of a combination of our Ofsted RI on recruitment last September, reduced 16-19 years public funding, irrecoverable VAT for FE institutions (Sixth Form schools and Academies can recover VAT), DfE funding rule changes and as a rural college, exposure to significant costs of student transport, constitute our principal risk exposure.

The demographic dip in the numbers of 16-year olds is levelling off and will start to show a slow incremental increase over the next few years. Strong marketing and effective admissions processes have seen enrolments grow from 2,141 2017/18 to over 3,000 in 2024/25.

Paradoxically, as we grow, a combination of DfE lagged funding and rurality mean that in-year enrolment increases result in greater costs e.g. teaching and resource costs and student

transport, for which no income is received in the year of cost.

Key enrolment risk mitigation approaches are:

Firstly, ensuring that we deliver outstanding student experience and results. Student and parental feedback continue to be very positive. We adjusted our focus to supporting students to raise attendance to improve results which has also improved retention this year. We continue to improve estates and the facilities we offer and invest in student transport subsidy.

Secondly, we have a continuous engagement with stakeholders such as schools, local authorities, local institutions, employers, influencers and MPs.

Thirdly, increasing effectiveness of our marketing. These include a strong on-line/social media presence with a programme of regular updates celebrating student success and showcasing activities, supporting school careers advisers to meet relevant Gatsby benchmarks, and working with local employer groups such as Circle to Success, Chamber of Commerce, Rotary and Training Partnership groups.

Fourthly, we have a targeted schools liaison programme to ensure young people have details to enable them to make an informed choice. This includes supporting events in schools and at college such as a careers officer's briefing when the new prospectus is published, running college tasters, subject specific visits, choices for Year 9s, and a programme of open days providing information advice and guidance to prospective students and their parents.

Finally, to mitigate the risk of the bus service affecting our retention at the beginning of the year, we worked closely with the provider, giving them data and forecasting information to help us both plan new routes, add more stops and speed up existing routes. For the 2025/26 academic year, we have been out to tender and have changed provider to the Go-Ahead Group comprising Swindon Bus Company and Pulhams. Whilst this brings significant added value; newer buses and thereby fewer breakdowns, better pricing for trip coach travel etc, the new providers have less rural connectivity and are more urban focused.

2. Hostile funding environment – 16-19 years funding per head continues to lag significantly behind the equivalent rate for schools.

Advocacy by the Sixth Form Colleges Association in which the College played an active part secured recent increases (responding to salary and cost inflation) but funding levels remain significantly below secondary school funding.

Colleges remain unable to reclaim vat (c. £350k for Cirencester College) and ineligible for salary support grants that schools or sixth form academies receive.

3. The Inability to recruit high calibre staff; including in-year leavers and maternity cover

Improvements in our pay scales have dramatically increased our fields of applications for academic posts. The quality of applicants has also increased with a greater number of established school teachers applying to work in the Further Education sector.

There does remain an interesting (indeed national) phenomenon of teachers leaving the profession in-year, where previously they would have waited to 'see their learners out'. This remains the greatest threat to quality and continuity of teaching. Equally, we have a strong reputation and experience staff loyalty with regard to a significant number of long-serving staff within the College community.

It remains difficult to recruit for some support roles, especially where sector pay is so much greater in commercial settings (e.g. Digital). We continue to address this through in-house training of staff, improved HR practices and significant improvements to staff pay. This appears to have a positive impact.

Industry training schemes and indeed funding is still weighted heavily towards schools. There remains a national shortfall of teachers in Further Education, especially in some STEM and technical areas. It would appear through our recruitment that we are the preferred employer in the region for talented teachers. Feedback from staff joining us is unanimously positive, especially from those coming from other colleges.

Mitigation measures against difficulty in recruitment include:

- *Advertising to emphasise non-pay, student body and locality benefits to prospective teaching staff. Initial signs are positive with slightly better selection fields.*
- *Targeted advertising via powerful social media tools, for campaigns in specialist areas.*
- *Reducing the first-year burden on new entrants to teaching by deferring qualification until years 2 and 3.*
- *Providing free teacher training for those new to the profession through their employment with us.*
- *Finding efficiencies to generate pay rises.*
- *Successfully bidding for bursaries for new entrants.*
- *Training for line managers in recruitment.*
- *Improving the recruitment experience for candidates.*
- *Improved targeting and processing in HR.*

4. Inability to operate at a financial surplus resulting in declining investment and reduced reserves

Fierce competition for 16-19 year enrolments, the lagged funding formula when enrolments rise sharply, funding deficit per-head pressures on 16-19 education, in-year student transport costs, utility costs and employment costs impose annual cost and resource management challenges on the College. Inability to operate at a surplus, risks a lower DfE rating with the threat of intervention by the FE Commissioner. More urgently, it severely restricts our ability to pay sufficiently to recruit and retain good staff.

College finances are tightly controlled, and robust financial planning is undertaken to ensure the College is able to deal with financial challenges as they occur, while still allowing ambitious investment in new buildings and campus improvements.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and universities, Cirencester College has many stakeholders. These include:

- Students and parents
- Funding bodies
- Staff
- Local employers
- Local Authorities
- Government Offices/ Local Enterprise Partnerships
- Multi-agency social bodies
- The local community
- Feeder Schools
- Other FE and HE institutions
- Trade unions
- Exam Boards
- Professional bodies
- National Organisations and Skills Academies

The College recognises the importance of these relationships and engages in regular communication with them through a variety of means.

The College has an effective student voice strategy to gather the views of students and other stakeholders on a wide range of issues to raise standards and improve customer experience. All areas of the College are required to take account of student voice and customer feedback and it is a KPI for all areas. The Quality Team ensures that customer issues are investigated, addressed and trends analysed and reported regularly to the Senior Leadership Team and the Corporation. The impact of learner voice, and student awareness of it, is regularly assessed. Direct representations include students, staff and parent governors, student barometer groups and staff fora as well as the Self-Assessment Process. Student views are gathered by regular surveys, in internal inspections, on-line polls and the happy/sad face buttons on various portals. Parents' views are gathered through the Parent Survey, Parent Zone happy/sad buttons, focus groups and customer feedback (complaints and compliments). There is also an annual staff survey. Headline student, staff and parent voice issues are reported to the Corporation.

We have a well-publicised, robust, centralised and open access customer feedback system to address any concerns. This ensures that issues are dealt with at a high level and with consistency and impartiality.

Common Interest Groups, Faculty meetings, all-staff meetings, Staff Surveys and representation on the Corporation provide opportunities for staff to contribute to the College's development. The College has developed a range of internal staff development events and activities as well as a programme of staff enrichment and wellbeing activities. Staff rate these opportunities highly and say they would recommend the college as a good place to work.

The Principal has prioritised the raising of the College's profile locally, nationally and politically. We have good communications with Cirencester, Swindon and Cotswold councils, (particularly important since the devolution of the work of the LEs to local councils) and Swindon Institute of Technology. We have some contacts at Gloucester County Council and Swindon Council and have made progress with Oxfordshire networks.

Charitable and taxation status

The College is an exempt charity for the purposes of the Charities Act 1993 and is not liable to corporation tax.

Equal opportunities and employment of disabled persons

Cirencester College is committed to ensuring equality of opportunity for all who learn and work here. We respect and celebrate all differences including ability and those with protected characteristics.

The College's employment policy is to consider all applicants on their merits and to welcome applications from a diverse range of people, inviting them to interview where they fulfil the requirements of the post advertised. Career development, promotion and training opportunities are open to all employees.

The College actively meets its duty to promote Equality and Diversity embedding tolerance and mutual respect in everything we do; this means that events are celebrated, and activities organised throughout the year, in addition to staff ensuring that norms of Equality & Diversity are fully embedded in the curriculum and the subject of tutor-led debate.

Disability policy

The College seeks to achieve the objectives set out in the Equality Act 2010 and in particular, makes the following commitments:

- Develop an organisational approach which promotes equality of opportunity;
- Eliminate disability related harassment;
- Promote positive attitudes towards disabilities and encourage participation by all;
- Make reasonable adjustments to enable participation in work and/or learning.
- Aim to ensure that environmental, attitudinal and organisational factors within our control are free from discrimination and that disabled people can participate as members of the College.
- Ensure that all students and employees have appropriate opportunities to disclose their disabilities/learning difficulties throughout their time at the College.
- Ensure that students have access to flexible and inclusive learning opportunities and that information on support is available.
- Maintain links with external agencies to ensure the provision of appropriate and effective support for staff and students with disabilities and/or learning difficulties.
- Ensure that where appropriate, its services and facilities are open to the public and that members of the public have equal treatment when accessing them.

As part of its accommodation strategy, the College carries out regular access audits. The results of these ensure improving accessibility is at the forefront of any site modifications.

There is an admissions policy and a fitness to study policy for all students. Appeals against a decision not to offer a place are dealt with by the Admissions Appeal Panel or under the complaints policy as appropriate.

The College has an Academic & Learning Support Department that provides information, advice and arranges support and transition programmes based on individual needs, where necessary, for students with an Education Health Care Plan (EHCP).

The College has a team of specialists to support students to access learning. There are a number of learning support assistants who can provide a variety of support for learning both in and outside of the classroom. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students, including courses to raise awareness of Autism, ADHD and Dyslexia.

There is a range of specialist equipment and assistive technology which the College can make available for use by students, where required.

Disclosure of Information to Auditors

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

Approved by the members of the Corporation on 1 December 2025 and signed on its behalf by:



Fiona Galbraith
Chair

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Year ended 31 July 2025

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

The Corporation is the legal entity that operates Cirencester College (the College). The legal status of the Corporation is both a statutory corporation established under FHEA 1992 and an exempt charity. The College is an activity through which the Corporation achieves its charitable purpose. The Corporation's Board (Governing Body) has overall responsibility for the conduct of the College.

The Governing Body endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in the Code of Good Governance for English Colleges;
- iii. Whilst not having adopted the UK Corporate Governance Code 2024 the Governing Body has due regard to its principles and guidance insofar as they are applicable to the further education sector;
- iv. having due regard to the requirements of His Majesty's Treasury (HMT) document Managing Public Money (MPM) (June 2025).

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance. Compliance with the Association of Colleges' Code of Good Governance is regularly reviewed, and in the opinion of the Governors, the Governing Body and the College were complying with the provisions of the Code during the year ended 31 July 2025.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2022. The Governors, who are also the Trustees for the purposes of the Charities Act 2022, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements. The Corporation is only involved in activities that will further its charitable objects and do not put its charitable status at risk.

The Corporation

The composition of the Corporation is set out below. The Corporation's main objective for the operation of the Governing Body is that it delivers effective governance by providing strategic direction, robust accountability, oversight and assurance for the College's educational and financial performance and delivery of the best outcomes for all students.

The Governing Body conducts its business through several committees. Each committee has terms of reference, which have been approved by the Governing Body. In 2024/25 there were committees for Audit, Remuneration and Search & Governance.

The Governing Body operates a hybrid approach to governance. Whilst retaining elements of policy governance such as collective decision-making at board level, the hybrid governance

approach includes designation of 'Focus Governor' roles to ensure depth of understanding, scrutiny and support in key areas of the College's work. These cover: Curriculum; Staff Experience; Finance; Digital Skills; Safeguarding; SEND; Apprenticeships; Skills Agenda; Careers; Sustainability; Health & Safety. Focus Governor appointments are reviewed annually by the Search & Governance Committee. This governance model continues to be regularly reviewed by the Governing Body to ensure that it is the most effective way of fulfilling its role and clearly demonstrates strategic leadership and support and challenge of the senior leadership team.

The Governing Body reviews the mission, vision, values and strategic goals of the College each year. The Governing Body monitors management actions and reviews the risks faced by the College each term. All operational matters are the responsibility of management, led by the Principal. It is the Governing Body's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

Following the appointment of Matt Reynolds as substantive Principal and Chief Executive Officer (Accounting Officer) (effective January 2024), a review of strategic objectives for the College began with a strategy day in April 2024 and the new Corporate Goals were approved by Corporation in October 2024. The Governing Body has reviewed effectiveness via the consideration of a series of linked KPIs. This work has been developed further over the course of the year with a full Strategic Plan approved by Corporation in September 2025.

Since the College was awarded 'Requires Improvement' by Ofsted in March 2024, the Governing Body and senior management have worked closely together, through Project Apollo, to address the areas for improvement noted in the Ofsted report. Progress against each of these areas has been a standing item at each Corporation meeting. A Focus Governor was appointed to have oversight of the activities and outputs of Project Apollo, and they report to each meeting of the Governing Body. Ofsted conducted the required monitoring visit in May 2025 and found 'Significant Progress' across three of their areas of focus, and 'Reasonable Progress' in the fourth. The Governing Body is fully supportive of the management response to the Ofsted inspection and was greatly encouraged by the positive outcome of the monitoring visit.

The Governing Body is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters including work in furtherance of the skills agenda and personnel-related matters such as health and safety and environmental issues. The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below. Appointments, end of tenure and resignations during the specified period are indicated.

Name	Category	Date of appointment	Tenure until	Membership of Committees	Focus Governor	Board meeting attendance 2024/25
Erika Badea (new appointment)	Student	23/6/2025	8/7/2026	-	-	1 of 1 (100%)
Brendan Brown	External	12/8/2024	11/8/2028	Audit	Finance	7/8 (88%)

Mike Cadman	Staff (Support)	8/1/2024	7/1/2027	-	-	6/8 (75%)
Andrei Durbaca (new appointment)	Student	5/2/2025	12/4/2025		-	2/2 (100%)
Mikey Ezewudo	External	22/1/2024	21/1/2028	Remuneration	Health & Safety Sustainability	6/8 (75%)
Fiona Galbraith	External	7/9/2021	6/9/2028	Search & Governance Remuneration		8/8 (100%)
Zanelle Kioko (new appointment)	Student	21/10/2024	27/1/2025	-	-	0/2 (0%)
Ping Li	External	26/6/2023	25/6/2027	Remuneration Search & Governance Audit	-	6/8 (75%)
Liam Nolan (new appointment)	Staff (academic)	11/7/2025	10/7/2028	-	-	-
Libby Reed	External	5/9/2021	4/9/2028	Search & Governance	Safeguarding SEND	8/8 (100%)
Matt Reynolds	Interim Principal (May 2023) Principal (January 2024)	31/5/2023	Ex officio	Search & Governance	-	8/8 (100%)
Susie Richards	External	12/6/18	10/7/2025	Remuneration	HR	7/8 (88%)
Sara Sharkey	External	29/4/2024	28/4/2028	-	Digital skills	7/8 (88%)
Catherine Simpson	Parent	3/11/2023	7/7/2025	Audit	Careers Skills Agenda Project Apollo	5/8 (63%)

Catherine Simpson	Co-opted member			Audit	-	-
Andrew Tubb	External	5/9/2021	4/9/2028	Search & Governance Audit	Apprenticeships	8/8 (100%)
Gay Wales	External	22/1/2024	21/1/2028	Audit	Curriculum	7/8 (88%)
Nicola Webster	Staff (academic)	11/7/2022	10/7/2025	Search & Governance	-	7/8 (88%)
Summer Wooldridge (new appointment)	Student	21/10/2024	8/4/2025	-	-	2/4 (50%)

Jeannie Adam was Clerk to the Corporation from September 2024 to March 2025. Suzanna Miles was appointed as Governance Manager (and operates as Clerk to the Corporation) from March 2025, following a competitive, external recruitment campaign. The appointment, evaluation and removal of the Governance Manager are matters for the Governing Body as a whole.

All Governing Body and committee meetings were held in person.

There were eight Governing Body meetings (two of which were Strategic Planning meetings) during 2024/25. Approved minutes of all meetings, except those deemed to be confidential by the Governing Body, are available on the College website or from the Governance Manager at Cirencester College, Fosse Way Campus, Stroud Road, Cirencester, Gloucestershire, GL7 1XA.

Formal agendas, papers and reports are supplied to governors one week prior to Board meetings. The business of governance (Governing Body and Committees) is managed by the annual governance planner.

The Governance Manager maintains a register of the financial and personal interests of the Governors which is updated at least annually. The register is available for inspection at the above address.

All governors can take independent professional advice in furtherance of their duties at the College's expense and have access to the Governance Manager, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with.

The Governing Body has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Principal are separate.

Appointments to the Governing Body

Any new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a Search & Governance Committee, which meets each term and is responsible for the selection and nomination of any new member for the Governing Body's consideration – except for student, staff and parent governors who are elected by the groups from which they are drawn.

The Governing Body is committed to ensuring that governors are appointed on merit after an open and transparent process which complies with the Instrument and Articles of Government and Standing Orders.

Independent members of the Governing Body are appointed for an initial one-year probationary term, followed by a further three years (subject to the approval of the Governing Body). Independent members can be appointed by the Governing Body for one further term of four years, therefore serving for a maximum term of eight years.

Parent Governors normally serve a two-year term during the period in which their child is a student at the College. Staff Governors serve a three-year term (maximum two terms). Student Governor tenure is until they leave the College.

During 2024/25, the Governing Body ratified the appointment of four Student Governors (three resigned within the same period) and a Staff Governor (Academic). Since March 2025, the Governing Body have been actively recruiting through local channels and through the DfE's partner, Governors for Schools, to add expertise to the board in areas of Audit, Safeguarding, HR and SEND.

Corporation self-assessment, performance and external review of governance

The Governing Body carries out a self-assessment of its performance annually and the outcomes are assessed by the Search & Governance Committee, with actions arising being included in the Governance Improvement Plan and the College Self-Assessment Report (SAR). The Committees complete a self-assessment of their performance and address any areas for improvement. The governance model is subject to regular review to ensure that it remains fit for purpose.

The Search & Governance committee reviews progress against the outcomes of the External Review of Governance (ERG) (June 2023) at each meeting. Another ERG will be commissioned in February 2026 in line with the requirements of Skills and Post-16 Education Act 2022.

A self-assessment review of the performance of the Governing Body during 2024/25 has been undertaken and the outcome of this was reviewed by the Search & Governance Committee and Governing Body in October 2025.

Governor and Governance Manager professional development

Throughout the 2024/25 academic year, governors have made use of a wide variety of training and development opportunities. The Corporation subscribed to the ETF Governance Development Programme and to the Sixth Form Colleges Association (SFCA) governance webinar programme.

Governing Body meetings are preceded by governor briefing sessions – for example, during 2024/25, on topics such as: annual health & safety training; understanding the curriculum and AI; developing a strategy.

Statutory training for safeguarding, Prevent and GDPR is delivered via Educare. Each year, Governors are expected to read and understanding the latest Keeping Children Safe in Education guidance.

The Governance Manager maintains a regular flow of sector information to the Governors and the Principal's report to each Corporation meeting summarises key sector developments.

The previous Clerk attended the SFCA Clerks Conference in January 2025 and attended most governance webinars and events. The Governance Manager is a member of the SFCA national Clerks' Network and the Wessex Group Clerks' Network. This year, the Governance Manager is studying towards the Chartered Governance Institute's Advanced Certificate in Corporate Governance (exam in June 2026).

The impact has been that governors report that feel they are both well informed and well supported to deliver their responsibilities to the College and that the Governance Manager is capable and confident in the delivery of their role.

Search & Governance Committee

The Governing Body has a Search & Governance Committee which consisted of six members in 2024/25, and which is responsible for the selection and nomination of any new member, excluding places for elected staff, student and parent governors, for the Governing Body's consideration.

The committee is also responsible for:

- ensuring that appropriate induction and training is provided
- for advising the Governing Body regarding the review of its performance and its members
- monitoring progress made against targets in the annual Quality Improvement Plan

The Committee operates in accordance with written terms of reference approved by the Governing Body. The Committee met three times in 2024/25. The Search & Governance Committee reports to the next available meeting of the Governing Body in order to provide assurance that it continues to discharge its responsibilities effectively.

Remuneration Committee

Throughout the year ending 31 July 2025, the Remuneration Committee comprised four members. The Committee operates in accordance with written terms of reference approved by the Governing Body. The Committee's responsibilities are to make recommendations to the Governing Body on the remuneration and benefits of the senior post holders (SPH) and the Governance Manager. The Remuneration Committee met twice in 2024/25.

The Remuneration Committee follows the AoC's Senior Staff Remuneration Code which it reviews annually. The Committee reviews the annual SFCA Workforce Survey. The Remuneration Committee reports to the next available meeting of the Governing Body in order to provide assurance that it continues to discharge its responsibilities effectively.

Audit Committee

The Audit Committee comprises at least three members of the Governing Body (excluding the Principal and Chair) and up to two co-opted members. Collectively, members of the Committee have recent and relevant experience in risk management, finance, audit and assurance. The Committee operates in accordance with written terms of reference approved by the Governing Body. The Audit Committee reports to the next available meeting of the Governing Body in order to provide assurance that it continues to discharge its responsibilities effectively.

The Audit Committee provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of the College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College engages various specialists as internal auditors to monitor those systems of internal control which were formerly prescribed by regulatory bodies. The Audit Committee considers each year the audits it requires on risk management, controls and governance processes and makes recommendations to the Governing Body which determines the audits to be undertaken. Auditors' findings are reported to management and the Audit Committee. The audit commissioning process achieves the separation of internal audits from the Financial Statements audit.

Management is responsible for the implementation of agreed audit recommendations and follow-up reviews are held to ensure such recommendations have been implemented. A Register of Audit Recommendations is considered at each Audit Committee meeting and progress against each point of action is monitored.

The Audit Committee also advises the Governing Body on the appointment of auditors and their remuneration for audit and non-audit work. It has oversight of the arrangements for protecting College assets and for arrangements to ensure value-for-money. It also oversees arrangements relating to whistleblowing and dealing with any incidents of fraud. The Committee tracks the College's compliance with statutory requirements in health and safety and GDPR and in particular the risks associated with these areas and the policies and processes in place to reduce the risks. The committee will receive reports including emerging issues and steps to address the issues at each meeting on both areas.

The Audit Committee met three times in the year to 31 July 2025. The members of the Audit Committee and their attendance records are shown below:

Committee Member	Meetings Attended
Brendan Brown (member from November 2024)	3
Ping Li	3
Catherine Simpson	2
Andrew Tubb	3
Gay Wales	3

Internal control

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Principal is personally responsible, in accordance with the responsibilities assigned to the

Principal in the Financial Memoranda between Cirencester College and the funding bodies. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cirencester College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that have been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

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

Following the decision of the funding bodies that colleges are no longer required to employ an internal audit service which conducts prescribed activities, the Governing Body has decided that it will determine its own audit needs on the advice of the Audit Committee, having regard to an analysis of risk. The Governing Body has adopted an assurance framework, reviewed annually, which sets out how it will achieve this assurance and describes the roles of management, governors and independent auditors. In addition to termly reports, the Audit Committee formally reports its activities, the outcome of audits and its assessment of the effectiveness of controls to the Governing Body annually. This report is presented alongside the financial statements each year.

Risks faced by the Corporation

Key strategic risks are identified by senior managers. These are added to the Risk Register which is discussed at the meetings of the SLT. Risks are allocated a Red, Amber, Green (RAG) rating. Commentary and controls are noted and reviewed for each risk. The Risk Register and Risk Management Report is reviewed by the members of the Audit Committee at each meeting and subsequently by the next meeting of the Governing Body. The key risks identified are summarised in the Principal Risks and Uncertainties section earlier in this report.

Control Weaknesses Identified

No areas have been found where it was assessed that the effectiveness of internal control arrangements provided 'limited' or 'no assurance'.

Responsibilities under Funding Agreements

Governors have received the updated College Financial Handbook (effective 1 August 2025). The College will continue to ensure that policies, procedures and approval processes are in line with the requirements to ensure that there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit Committee

The Audit Committee has advised the Governing Body that the Corporation has an effective framework for governance and risk management in place. This advice is based on the external review of governance, internal and external audits during the year to 31 July 2025 and any actions arising from these.

Internal audits covering cyber security, HR, financial controls, budgeting and reporting were undertaken. All audit findings and recommendations are scrutinised and tracked to ensure appropriate action.

The external auditors' findings focussed on the following: management override of controls, revenue recognition and defined benefit pension scheme assumptions.

They reassured the Committee that, in the course of their work, nothing has come to their attention which suggests that in all material respects, the expenditure disbursed and income received during the period from 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them. They expect to issue an unqualified opinion on the financial statements for the year ended 31 July 2025. Their opinion is that the financial statements give a true and fair view of the state of affairs of the College as at 31 July 2025 and of the College's surplus of income over expenditure for the year then ended.

The Audit Committee is therefore able to report to the Governing Body an unqualified opinion on the College's financial statements and systems. They conclude that there is evidence of effective and efficient use of resources, the solvency of the College and the safeguarding of the College's assets. Furthermore, the Committee has noted the continuing adoption of and improvement in financial procedures and management practices designed to support the achievement of value for money and institutional effectiveness.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- internal audit reports;
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework;
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

The Principal has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of internal auditors and other sources of assurance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Governing Body carries out regular assessments of risk a number of times during the year by considering documentation from the senior management team and internal auditors received through the Audit Committee or directly.

Based on the advice of the Audit Committee and the Principal, the Governing Body is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets" and its contractual responsibilities under its accountability agreement, funding agreement, contracts the DfE and the authorities outlined in the 'Dear accounting officer' letter of 29 November 2022 and the ESFA bite size guides.

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the funding agencies of material irregularity, impropriety and non-compliance with the terms and conditions of its funding under the terms and conditions of the funding agreement in place between the College and the funding agencies. As part of its consideration, the Governing Body has due regard to the requirements of its contractual responsibilities under its accountability agreement, funding agreement and contracts with the DfE. We confirm, on behalf of the Governing Body that to the best of its knowledge, the Governing Body believes it is able to identify any material irregular or improper use of funds by the College, or material non-compliance with the funding agencies' terms and conditions of funding under the College's funding agreement. We further confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the funding agencies.

Going concern

After making appropriate enquiries, the Governing Body considers that the College has adequate resources to continue in operational existence for the foreseeable future.

The Governing Body has taken account of the following factors in arriving at its judgement:

- The Area Based Review in September 2016 (Local Area Review) considered the College to be independently viable and supported the College's strategy of remaining so with an Academisation option.
- Annual strategic conversation held between the College, Department for Education and FE Commissioner on 1 April 2025.


- The DfE has received and considered July 2025's three-year plan to 2027-28 rating the College's financial health as at least "GOOD" for all three years. The College has sufficiently robust finances to fulfil its contractual obligations and to respond successfully to most opportunities or to adversity.
- The College is forecasting cash inflows from operational activities over the next three years.
- The College carries total net assets of £15.5m into 2025/26 of which £5.2m is held in cash or termly deposit of up to one year. Net current assets at £1.5m provide further assurance.
- The College has repaid all external borrowings during the year.
- The College has opted into Gloucestershire LGPS pension strain insurance cover arrangements (part of national cover arrangements for all LGPS schemes) from 1 April 2020. This cover will insulate the College against new pension and strain ill-health retirements arising.
- Risk management and assurance practices provide assurance that the College is actively managing its greatest risks i.e., 16-19 enrolments & continued financial viability.

For these reasons, the College continues to adopt the going concern basis in preparing the financial statements.

Approved by the members of the Corporation on 1 December 2025 and signed on its behalf by:



Fiona Galbraith
Chair



Matt Reynolds
Accounting Officer

Statement of regularity, propriety and compliance

As Accounting Officer of the Corporation of Cirencester College I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's Board of Governors and DfE of material irregularity, impropriety and noncompliance with terms and conditions of all funding.

I confirm that I, and the Board of Governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and DfE.



Matt Reynolds

Accounting Officer

1 December 2025

Statement of Responsibilities of the Members of the Corporation

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

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report), and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

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

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

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

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

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

Approved by order of the Members of the Corporation on 1 December 2025 and signed on its behalf by:



Fiona Galbraith

Chair of Governors

Independent Auditor's Report to the Members of Cirencester College

Opinion

We have audited the financial statements of Cirencester College (the 'College') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its surplus for the year then ended; and
- have been properly prepared in accordance with 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 are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Corporation's 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 College'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 Members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the statement of corporate governance and internal control.

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

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

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 33, the Corporation is 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 Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College'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 Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Based on our understanding of the College and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the ESFA funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, HM Treasury's "Managing public money".

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the pension legislation.

In addition, we evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the pension asset, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars LLP

Forvis Mazars LLP (Dec 2, 2025 16:18:43 GMT)

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

8th Floor, Assembly Building C, Cheese Lane, Bristol, BS2 0JJ

Date 02/12/2025

Independent Reporting Accountant's report on regularity to the Corporation of Cirencester College and the Secretary of State for Education

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

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

Respective responsibilities of the Accounting Officer of Cirencester College and the Reporting Accountant

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

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

Approach

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the accountability agreements, grant funding agreements and contracts with the ESFA/DfE.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Tested a sample of credit card transactions.
- Tested a sample of expense claims in respect of KMP and Members of the Corporation.
- Tested a sample of suppliers and reviewed and assessed adherence to procurement policies.
- Tested a sample of bursary expenditure and reviewed whether such expenditure was in line with funding agreements.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year.
- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with Part 5 of the College Financial Handbook in respect of delegated authorities.
- Considered whether the College has complied with the requirements concerning senior pay controls as summarised in part 2 of the College Financial Handbook.

Conclusion

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

Signed:

Forvis Mazars LLP

Forvis Mazars LLP (Dec 2, 2025 16:18:43 GMT)

Forvis Mazars LLP

Date: 02/12/2025

Statement of Comprehensive Income

COLLEGE	Notes	Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000
INCOME			
Funding body grants	2	19,769	17,603
Tuition fees and education contracts	3	251	379
Other grants and contracts	4	26	252
Other income	5	950	919
Investment income	6	438	375
Donations and Endowments	7	1	1
Total income		21,435	19,529
EXPENDITURE			
Staff costs	8	13,776	11,944
Other operating expenses	9	5,054	5,043
Depreciation	12	1,347	1,142
Interest and other finance costs	10	53	84
Total expenditure		20,230	18,213
Surplus before other gains and losses		1,205	1,316
Surplus before tax		1,205	1,316
Taxation	11	-	-
Surplus for the year		1,205	1,316
Actuarial loss in respect of pensions	25	(323)	(282)
Total Comprehensive Income for the year		882	1,034
Represented by:			
Restricted Comprehensive Income		-	-
Unrestricted Comprehensive Income		882	1,034

Statement of Changes in Reserves

COLLEGE	Income and expenditure account £'000	Revaluation Reserve £'000	Total £'000
At 1 August 2023	10,875	2,722	13,597
Surplus from the income and expenditure account	1,316	-	1,316
(Deficit) from other comprehensive income	(282)	-	(282)
Transfers between revaluation and income and expenditure reserves	47	(47)	-
Total Comprehensive Surplus/(Deficit) for the year	1,081	(47)	1,034
At 31 July 2024	11,956	2,675	14,631
Surplus from the income and expenditure account	1,205	-	1,205
(Deficit) from other comprehensive income	(323)	-	(323)
Transfers between revaluation and income and expenditure reserves	47	(47)	-
Total Comprehensive Surplus/(Deficit) for the year	929	(47)	882
At 31 July 2025	12,885	2,628	15,513

Balance Sheet as at 31 July

COLLEGE

	Notes	2025 £'000	2024 £'000
Non-current assets			
Tangible Fixed assets	12	34,254 34,254	34,136 34,136
Current assets			
Stock		2	2
Trade and other receivables	14	332	385
Cash and cash equivalents	20	5,192 5,526	5,059 5,446
Less: Creditors – amounts falling due within one year	16	(4,059)	(4,290)
Net current assets		1,467	1,156
Total assets less current liabilities		35,721	35,292
Creditors – amounts falling due after more than one year	17	(20,208)	(20,661)
Provisions			
Defined benefit obligations	19	-	-
Total net assets		15,513	14,631
Unrestricted Reserves			
Revaluation reserve		2,628	2,675
Income and expenditure account		12,885	11,956
Total unrestricted reserves		15,513	14,631

The financial statements on pages 41 to 68 were approved by the Corporation on 1 December 2025 and signed on behalf of the members by:



Fiona Galbraith
Chair



Matt Reynolds
Accounting Officer

Statement of Cash Flows

COLLEGE	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Surplus for the year		882	1,034
Adjustment for non-cash items			
Depreciation	12	1,347	1,142
(Increase)/decrease in stock		-	-
Decrease/(increase) in debtors	14	53	(45)
(Decrease) in creditors due within one year	16	(320)	(124)
Pensions costs less contributions payable	25	-	-
Deferred Capital Grant released to income	2	(877)	(748)
Loss on disposal of fixed assets		-	-
Adjustment for investing or financing activities			
Investment income	6	(196)	(198)
Interest payable	10	53	84
Net cash flow from operating activities		<u>942</u>	<u>1,145</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Disposal of non-current asset investments		-	-
Deferred capital grants received	12	1,423	2,186
Investment income	6	196	198
New deposits		-	-
Payments made to acquire fixed assets	12	(1,465)	(5,217)
		<u>154</u>	<u>(2,833)</u>
Cash flows from financing activities			
Interest paid	10	(53)	(84)
Interest element of finance lease rental payments		-	-
New unsecured loans		-	-
Repayments of amounts borrowed	17,18	(910)	(202)
Capital element of finance lease rental payments		-	-
		<u>(963)</u>	<u>(286)</u>
(Decrease)/increase in cash and cash equivalents in the	20	<u>133</u>	<u>(1,974)</u>
Cash and cash equivalents at beginning of the year	20	5,059	7,033
Cash and cash equivalents at end of the year	20	5,192	5,059

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2024 to 2025* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity incorporated in England as an exempt charity under the Further Education and Higher Education Act 1992 regulated by the Department for Education and has applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at FRS 102 1 August 2014 transition date for certain non-current assets.

Going concern

The activities of the College, together with the principal risks likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying notes.

The College has repaid all of its outstanding loans during the year.

Accordingly, the Corporation's opinion is that it has sufficient 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.

Recognition of income

Funding body grants are accounted for under the accrual model as permitted by FRS 102 and are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Learner responsive funding for 16-19 year olds is not normally subject to reconciliation being enrolment sensitive and is therefore not subject to contract adjustments. An element of T-Level funding, along with the Adult and Apprenticeship funding elements are normally adjusted for in year, as income receivable in these areas is based on what has been earned, capped by the maximum or such adjusted contract value agreed with the appropriate funding body. Such in year adjustments may include funding claw-backs where appropriate.

Other discrete funds received during the year from government funding agencies are taken to income as associated expenditure is incurred in line with the specific terms and conditions attached to each fund by the funding agency.

Where the College receives and disburses funds in which it has no direct beneficial interest, such funds are excluded from the income and expenditure account on the grounds that the College does not have direct control over the future economic benefits derived from these funds. The College has applied this policy to certain funds received during the year from the DfE (see note 27). Any unused funds can be carried forward for one year for utilisation before repayment to the DfE.

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is paid.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met (see notes 16 & 17).

Accounting for post-employment benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are funded by employee and regulated employer contributions.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The 28.8% contribution is determined nationally by the Governments Actuaries Department on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme run by Gloucestershire County Council. LGPS assets are measured by scheme actuaries using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. Detailed actuarial valuations are obtained triennially (last at 31 March 2022 for FRS102 reporting purposes) and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit obligation/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets & obligations at the beginning of the period by the rate used to discount the benefit obligations.

Actuarial gains and losses applying are recognised immediately under "other" recognised gains and losses. As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Short-term Employment benefits

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

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Land and buildings, including those inherited from the local education authority, are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College (normally either 25 or 50 years, though the period may be significantly less for modular buildings which are generally between 3 and 10 years).

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years or such other objective metric appropriate to the adaptation.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within long term creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable or justified.

On adoption of FRS 102 in July 2016, the College followed transitional provisions and retained the carrying values of freehold properties at 1 August 2014 as deemed cost and measured at fair value. The Revaluation reserve was reinstated to carrying values at 1 August 2014 and forms part of the realised Income and Expenditure reserve.

Assets under construction

Assets under construction are accounted for at cost, based on the value of professional project manager Payment Certificates issued against Royal Institute of Chartered Surveyors (RICS) standard UK building templates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition except where this expenditure is part of a major project. All other equipment is capitalised at cost. Equipment inherited from the Local Education Authority is included in the balance sheet at valuation.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

Motor vehicles and general equipment	-	5 years
Computer equipment	-	4 - 10 years
Fixtures and fittings	-	4 - 10 years
Plant	-	10 - 20 years

No depreciation is provided on assets under construction. Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Borrowing costs

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

Leased assets

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

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases. The College has no finance leases to 31 July 2025 or at the signing date.

Inventories

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

Maintenance and refurbishment of premises

The cost of routine corrective maintenance and refurbishment programmes is charged to the income and expenditure account in the period that it is incurred unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Cash and cash equivalents

Cash for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand and sums on short-term deposits (less than one year at 31 July) with recognised banks and building societies.

Financial liabilities and equity

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

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

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Taxation

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

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

The College is eligible for zero-rated design and build building construction supply upon issue of appropriate certificates under S18.1 Notice 708 to appropriate construction companies.

Provisions and contingent liabilities

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

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

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements. Note 23 refers to any contingent liability recognised for the period covered by the financial statements.

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds from funding bodies. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College and disclosed in Note 27 except for the proportion available to the College to cover administration costs relating to the grant. The College employs one member of staff, part of whose time is dedicated to the administration of Learner Support Fund application and payments.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determined whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determined whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost & income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension asset/liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

2 Funding body grants

	2025 £'000	2024 £'000
Recurrent grants		
Apprenticeships and Adult Skills funding	617	513
DfE 16-19 funding	17,648	15,924
Specific grants	627	418
Releases of government capital grants	877	748
Total	19,769	17,603

3 Tuition fees and education contracts

	2025 £'000	2024 £'000
Adult education fees	66	70
Apprenticeship fees and contracts	1	4
Total tuition fees	67	74
Education contracts	184	305
Total	251	379

4 Other grants and contracts

	2025	2024
	£'000	£'000
AOC Sport Grant	-	2
LSIF	4	101
Body Positive	-	12
DFE - Taking Teaching Further	17	51
GROWS	5	5
Homes 4 Ukraine Scheme	-	30
DFE - SDF Project	-	2
T-Level Careers Guidance	-	10
Pupil Premium Plus	-	27
ERDF - Wild Campus	-	8
Other grants and contracts	-	4
Total	26	252

5 Other income

	2025	2024
	£'000	£'000
Catering and residences	805	764
Other income generating activities	99	104
Miscellaneous income	46	51
Total	950	919

6 Investment income

	2025	2024
	£'000	£'000
Bank interest received	196	198
LGPS pension net plan asset income	242	177
Total	438	375

7 Donations and Endowments

	2025	2024
	£'000	£'000
Sundry donations at enrolment and during the year	1	1
Total	1	1

8 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as full-time equivalents (fte's) and headcount was:

	2025 fte	2024 fte
Teaching staff	150	153
Non-teaching staff	124	113
Full-time equivalent staff	<u>274</u>	<u>266</u>

Staff costs (continued)

	2025 Headcount	2024 Headcount
Teaching staff	192	186
Non-teaching staff	148	153
Staff headcount	<u>340</u>	<u>339</u>

	2025 £'000	2024 £'000
Wages and salaries	10,205	8,969
Social security costs	1,061	859
Other pension costs (note 25)	2,378	2,022
Apprenticeship levy	35	32

Payroll sub total	13,679	11,882
Contracted out staffing services	73	62

	13,752	11,944
Fundamental restructuring costs – Contractual ⁽¹⁾	24	
Non-contractual	-	-

Total Staff costs	<u>13,776</u>	<u>11,944</u>
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⁽¹⁾ Relates to 1 member of staff

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Leadership Team comprising the Principal, Chief Financial Officer, 3 Vice Principals - Quality & Curriculum, Teaching & Learning and Student & External relations, Head of Human Resources and Strategic Development Manager.

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

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was:	7	7

8 Staff costs (continued)

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£20,001 to £25,000 p.a.	-	-	-	-
£25,001 to £30,000 p.a.	-	-	-	1
£30,001 to £35,000 p.a.	-	-	-	1
£35,001 to £40,000 p.a.	-	-	1	-
£40,001 to £45,000 p.a.	-	-	3	1
£45,001 to £50,000 p.a.	-	-	1	6
£50,001 to £55,000 p.a.	1	-	7	3
£55,001 to £60,000 p.a.	1	2	4	6
£60,001 to £65,000 p.a.	-	-	3	1
£65,001 to £70,000 p.a.	1	-	-	-
£70,001 to £80,000 p.a.	1	1	-	-
£80,001 to £100,000 p.a.	2	3	-	-
£100,001 to £120,000 p.a.	-	-	-	-
£120,001 to £140,000 p.a.	1	1	-	-
	<u>7</u>	<u>7</u>	<u>19</u>	<u>19</u>

The college runs a cycle-to-work salary sacrifice scheme available to all staff. All emoluments of staff in either the key management personnel or senior leadership team have been disclosed before the deduction of this salary sacrifice.

Key management personnel compensation is made up as follows:

	2025 £'000	2024 £'000
Salaries	578	588
Employers National Insurance	74	72
Benefits in kind	-	-
	<u>652</u>	<u>660</u>
Pension contributions	<u>147</u>	<u>145</u>
Total key management personnel compensation	<u>799</u>	<u>805</u>

There were no amounts due to key management personnel that were waived in the year. Pension contributions are made based on standard "net pay" payment arrangements in place.

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

	2025 £'000	2024 £'000
Salaries	134	131
Benefits in kind	-	-
	<u>134</u>	<u>131</u>
Pension contributions	<u>38</u>	<u>33</u>

8 Staff costs (continued)

The Corporation complies with the Association of College's Senior Staff Remuneration Code and will assess pay in line with its principles in future as part of the overall budget setting process.

The remuneration package of the Principal, is subject to annual review by the Remuneration Committee of the Corporation who use benchmarking information to provide objective guidance.

The Principal reports to the Corporation, who undertake an annual review of performance against the College's overall objectives using both qualitative and quantitative measures of performance relating to student retention, progression and achievement, financial and operational viability.

Pay multiple

The pay multiple relationship between the Chief Accounting Officer and the median of all other pay is:	2025	2024
Basic salary	3.99	4.00
Total emoluments	4.16	4.02

Compensation for loss of office paid to former key management personnel

	2025 £'000	2024 £'000
Contractual Compensation paid to the former post-holder	24	-
Estimated value of other benefits, including provisions for pension benefits	6	-

The members of the Corporation other than the Accounting Officer and staff governors (members) did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

9 Other operating expenses

	2025	2024
	£'000	£'000
Teaching costs	588	561
Non-teaching costs	1,575	1,335
Administration and central services	1,069	709
Premises costs	1,446	1,946
Other income generating activities	8	82
Catering and residence operations	368	410
Total	5,054	5,043

Other operating expenses include:

	2025	2024
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	32	31
Internal audit	2	2
Hire of assets under operating leases	22	22
Education subcontracts	-	16

10 Interest and other finance costs

	2025	2024
	£'000	£'000
On bank loans, overdrafts and other loans:	53	84
	53	84
Pension finance costs (note 25)	-	-
Total	53	84

11 Taxation

The Members do not believe that the College was liable for any corporation tax arising out of its charitable activities during either period.

12 Tangible fixed assets

	Land and Buildings	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2024	33,190	4,140	4,050	41,380
Additions	46	173	1,246	1,465
Transfers	3,877	1,417	(5,294)	-
Disposals	-	-	-	-
At 31 July 2025	37,113	5,730	2	42,845
Depreciation				
At 1 August 2024	5,823	1,421	-	7,244
Charge for the year	750	597	-	1,347
Elimination in respect of disposals	-	-	-	-
At 31 July 2025	6,573	2,018	-	8,591
NBV at 31 July 2025	30,540	3,712	2	34,254
NBV at 31 July 2024	27,367	2,719	4,050	34,136

Land and buildings were valued for the purpose of the 1999 financial statements at depreciated replacement cost by GVA Grimley, a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes.

Completed land and buildings and equipment have been partly financed from DfE funds, through the receipt of capital grants. £1.423m of public sector capital grants received in 2024/25 funding building and equipment assets, are credited to a Deferred Capital grant liability account (note 17). Should these assets be sold, the College may be liable, under the terms of the financial memorandum with the DfE, to surrender the unamortised grant receipts.

13 Non-current investments

There are no non-current investments in either year.

14 Trade and other receivables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	4	6
Prepayments and accrued income	328	379
Total	332	385

15 Current investments

There are no current investments during the year.

16 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Bank loans	-	185
Trade payables	404	422
Other taxation and social security	520	455
Payments received on account	197	344
VAT	-	6
Accruals and deferred income ⁽¹⁾	1,487	1,772
Holiday pay accruals	170	155
Deferred income - government capital grants	1,053	778
Deferred income - government revenue	116	62
Amounts owed to the DfE	112	111
Total	4,059	4,290

⁽¹⁾ Included within accruals and deferred income is a staff retention bonus for the financial year for £350k (2024: £250k).

17 Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Bank loans	-	725
Deferred income - government	20,208	19,936
Total	20,208	20,661

18 Maturity of debt

Bank loans

Bank loans and overdrafts are repayable as:

	2025	2024
	£'000	£'000
In one year or less	-	185
Between one and two years	-	100
Between two and five years	-	300
In five years or more	-	325
Total	-	910

- All loans in place at 31 July 2024 were repaid during the year.
- All loans, investments and short-term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost).

19 Provisions

LGPS pension scheme defined benefit obligations

	2025	2024
	£'000	£'000
At 1 August – asset	4,809	3,445
Expenditure in the period	-	-
Employer service cost	(804)	(785)
Employer contributions	888	893
Past service costs	(5)	-
Net return on assets	242	177
Actuarial gain - (reported on Statement of Comprehensive income)	3,233	1,079
At 31 July asset	8,363	4,809

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details on the "nil" presentations adopted in fy2023/24 and fy2024/25 are given in notes 1 and 25.

The principal assumptions for this calculation are:

	2025	2024
Pension increase rate	2.75%	2.75%
Salary increase rate	3.25%	3.25%
Discount rate	5.80%	5.00%

20 Cash and cash equivalents

	At 1 August 2024	Cash flows	Other changes	At 31 July 2025
	£'000	£'000	£'000	£'000
Cash and cash equivalents	5,059	133	-	5,192
Total	5,059	133	-	5,192

21 Capital and other commitments

	2025 £'000	2024 £'000
Commitments contracted as at 31 July	-	766
Commitments authorised but not contracted for as at 31 July	-	-
	<u>-</u>	<u>766</u>

Capital commitments in 2024 related to outstanding commitments on:

- Student Library LSIF refurbishment completed in September 2024;
- Post 16 Capacity Fund for Student Wellbeing Hub completed in September 2024.

22 Lease obligations

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

	2025 £'000	2024 £'000
Other		
Not later than one year	20	22
Later than one year and not later than five years	20	40
Later than five years	-	-
	<u>40</u>	<u>62</u>

23 Contingent liabilities

2025 £'000	2024 £'000
<u>-</u>	<u>-</u>

24 Events after the reporting period

There are no material events to report.

25 Defined benefit obligations

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

Total pension cost for the year	2025	2024
£'000	£'000	£'000
<i>Teachers' Pension Scheme:</i> contributions paid	1,574	1,237
<i>Local Government Pension Scheme:</i>		
Contributions paid	885	890
FRS 102 (28) Current service charge	(81)	(105)
Charge to the Statement of Comprehensive Income	804	785
Tier 1 Early retirement pension strain charge	-	-
Enhanced pension charge to Statement of Comprehensive Income	-	-
Total pension cost for year within staff costs	2,378	2,022

Pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

July 2025 contributions amounting to £271,408 (2024: £256,477) were payable to the schemes at 31 July and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments for further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

25 Defined benefit obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme, and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 26 October 2023. The key results of the valuation are:

- New employer contribution rates were set at 28.6% of pensionable pay, a 5.8% increase.
- Total scheme liabilities for service to the effective date of £262 billion, and notional assets of £222 billion, giving a notional past service deficit of £40 billion.

The new employer contribution rate for the TPS was implemented from 1 April 2024 where the increase from the former employer contribution rate is funded by additional DfE grants in each tax year.

A full copy of the latest valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

[Valuation result | 10 | 2023 \(teacherspensions.co.uk\)](https://www.teacherspensions.co.uk/valuation-result-10-2023)

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

25 Defined benefit obligations (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

Pension costs paid to TPS in the year amounted to £1,574,000 (2024: £1,237,000)

FRS 102 (28) – treatment of the Teachers' Pension Scheme costs in the accounts

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Gloucestershire County Council. The total contributions made for the year ended 31 July 2025 were £1,139,000 (2024: £1,122,000), of which employer's contributions totalled £885,000 (2024: £890,000) and employees' contributions totalled £254,000 (2024: £232,000). Following the triennial *surplus* valuation carried out for March 2022, contribution rates for the next three tax years from 2023/24 were set at 24.2%, 23.6% and 23% respectively for employers and range from 5.5% to 12.5% for employees, depending on salary. No secondary employer's contribution was set. Contribution rates were set to achieve a fully paid-up fund in 14 years from 31 March 2022 at 75% confidence level.

Following the provision of a guarantee from the DfE in respect of FE bodies in LGPS, contribution rates were reduced to 20.6% from 1 January 2025 until the next valuation.

Legal and Regulatory Uncertainty

GMP equalisation / indexation treatment (Lloyds' ruling)

We allowed for the impact of full GMP indexation in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation has already been included in the accounting disclosure.

GMP equalisation – historical transfers (further Lloyds' ruling)

This further ruling is unlikely to have a significant impact on the pension obligations of a typical employer, and the historic individual member data we would need to assess the impact is not readily available. As a result, we have not made any allowance for this within our calculations at the Accounting Date.

25 Defined benefit obligations (continued)

McCloud/Sargeant treatment

We allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting rollforward calculations and therefore an allowance is included in the accounting disclosure.

Goodwin treatment

We have previously carried out some approximate analysis across our LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. The remedy is still uncertain, but we estimate the potential impact of this to be very small for a typical Fund (c0.1% of obligations). We therefore do not believe it is necessary or appropriate to make an adjustment to account for this at the moment, given the level of additional work and fees that would be involved for the Employer (and indeed the highly approximate nature of applying an unknown remedy).

Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling)

We have made no additional allowance within the accounting balance sheet for this June 2023 legal judgement. We have taken this approach because at the time of writing:

- the ruling only applies to the above-named private sector pension scheme
- the legal judgement was appealed (however the Court of Appeal dismissed this in July 2024 and the original ruling stands)
- it is unknown whether Section 37 certificates exist for all prior amendments made to the public service schemes (including the LGPS)
- it is unknown whether there would be any potential remedy required to the public service schemes (including the LGPS)
- it is unknown what the impact of any potential remedy would be
- DWP were asked by pension bodies to look at pragmatic solutions where schemes are unable to evidence historic section 37 confirmation (e.g. to introduce legislation that would allow retrospective section 37 certificates to be produced now to validate historic changes)
- the government responded on 5 June 2025 that it will introduce legislation to deal with issues arising from the June 2023 legal judgement
- the government notes that the "legislation will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards" and that "scheme obligations will otherwise be unaffected"

Other court cases

The following court cases may also impact LGPS benefits in the future:

- Walker;
- O'Brien;

It is our understanding these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, we have not made any allowance for the potential remedies to these judgements.

25 Defined benefit obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by Hymans Robertson LLP, qualified independent actuaries to Gloucestershire County Council.

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.25%	3.25%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Commutation of pensions to lump sum: pre-April 2008 service	35.00%	35.00%
Commutation of pensions to lump sums: post-April 2008 service	68.00%	68.00%

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

	At 31 July 2025	At 31 July 2024
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.6
Females	24.4	24.4
<i>Future</i>		
Males	21.9	21.6
Females	25.6	25.6

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

	Long-term rate of return expected at 31 July 2025	Fair Value at 31 July 2025	Long-term rate of return expected at 31 July 2024	Fair Value at 31 July 2024
		£'000		£'000
Equity	5.80%	14,743	5.00%	13,107
Debt	5.80%	4,838	5.00%	4,506
Property	5.80%	2,995	5.00%	2,662
Cash	5.80%	461	5.00%	205
Total fair value of plan assets		23,037		20,480
Actual return on plan assets		808		949

25 Defined benefit obligations (continued)

The amount valued by the actuary in respect of the defined benefit pension plan is as follows:

	2025	2024
	£'000	£'000
Fair value of plan assets	23,037	20,480
Present value of plan liabilities	(14,674)	(15,671)
Net pensions asset ¹ (Note 19)	8,363	4,809

⁽¹⁾ See note added below for "nil" pension asset recognition

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

	2025	2024
	£'000	£'000
Amounts included in staff costs		
Current service cost	804	785
Past service cost	5	-
Total	809	785

Amounts included in interest and other finance cost (note 10)

Net interest income	242	177
	242	177

Amount recognised in Other Comprehensive Income ⁽¹⁾

Return on pension plan assets	808	949
Changes in assumptions underlying the present value of plan liabilities	2,425	130
Amount to be recognised in Other Comprehensive Income ⁽¹⁾	3,233	1,079

Movement in asset during the year

	2025	2024
	£'000	£'000
Net defined benefit asset in scheme at 1 August	4,809	3,445
Movement in year:		
Current service cost	(804)	(785)
Employer contributions	888	893
Past service cost	(5)	-
Net interest on the defined benefit asset	242	177
Actuarial gain or loss	3,233	1,079
Net defined asset at 31 July ⁽¹⁾	8,363	4,809

⁽¹⁾ See note added below for "nil" pension asset recognition

25 Defined benefit obligations (continued)

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations	2025 £'000	2024 £'000
Defined benefit obligations at start of period	15,671	14,453
Current service cost	804	785
Interest cost	799	745
Contributions by Scheme participants	254	232
Experience gains and losses on defined benefit obligations	(159)	511
Changes in financial assumptions	(2,330)	(610)
Estimated benefits paid	(434)	(414)
Past Service cost	5	-
Demographic changes	64	(31)
Defined benefit obligations at end of period	14,674	15,671
Changes in fair value of plan assets	2025 £'000	2024 £'000
Fair value of plan assets at start of period	20,480	17,898
Interest on plan assets	1,041	922
Experience gains and losses on defined benefit obligations	-	-
Return on plan assets	808	949
Employer contributions	888	893
Contributions by Scheme participants	254	232
Estimated benefits paid	(434)	(414)
Fair value of plan assets at end of period	23,037	20,480

⁽¹⁾ The amount recognised in the balance sheet in respect of the defined benefit pension plan (and enhanced pensions benefits) is as follows:

	2025 £'000	2024 £'000
Fair value pension assets	23,037	20,480
Present value of plan liabilities	(14,674)	(15,671)
Net pensions asset	8,363	4,809
Less notional surplus valuation not recognised	(8,363)	(4,809)
"Nil" net pensions asset as recognised in these financial statements	-	-

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

26 Related party transactions

Due to the nature of the College's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. Any transactions identified which should be disclosed under Financial Reporting Standard 8 'Related Party Disclosures' are detailed below:

Transactions with the DfE are detailed in notes 2 and 16.

	No.	2025 £'s	2024 £'s
Number of governors claiming subsistence allowances	2	384	409

27 Amounts disbursed as Agent

Learner support funds	2025 £'000	2024 £'000
Funding body grants – 16-19 DfE discretionary bursary support	245	234
Funding body grants – advance learning bursary	1	1
Other Funding body grants (excluding Free School meals)	7	20
	<u>253</u>	<u>255</u>
Disbursed to students	(271)	(241)
Administration costs	(12)	(12)
Balance unspent as at 31 July, included in creditors ⁽¹⁾	<u>(30)</u>	<u>2</u>

⁽¹⁾ Fy 2024/25 deficit funded from prior year unused allocation b/f

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements have therefore been excluded from the income and expenditure account, other than when the College has directly incurred expenditure itself.

Payment of travel costs and other incidental costs of education by the College, on the student's behalf, are consolidated in the income and expenditure of the College's financial statements.