

CITY COLLEGE PLYMOUTH

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2025

Reference and administrative details

Key Management Personnel

Key management personnel are defined as members of the Executive Leadership Team and its advisors and were represented by the following in 2024/25:

Jackie Grubb – Chief Executive and Principal (Accounting Officer)

Lorraine Hill – Chief Financial Operations Officer

Ben Manning – Executive of Curriculum, Quality & Student Experience (until 14/02/2025)

Charlotte Corfield – Interim Executive of Curriculum, Quality and Student Experience (from 03/03/2025)

Lance Chatfield – Executive of Technical Innovation

Pauline Hands – Executive of Health, Leisure and Protective Services

Paul Fanshawe – Executive of Business Intelligence, Growth and Skills

Dean Wheable – Executive of Assets and Estates (from 15/04/2025 until 31/07/2025)

Board of Governors

A full list of Governors is given on pages 21-22 of these financial statements.

Laura Sadler, Director of Governance, acted as Clerk to the Governors during the year.

Principal and registered office

Kings Road

Plymouth

PL1 5QG

Financial statements auditor and reporting accountant

PKF Francis Clark

Chartered Accountants and Statutory Auditor

Unit 18, 23 Melville Building East

Royal William Yard

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Internal auditor

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City College Plymouth
Financial Statements for the Year Ended 31 July 2025

Strategic Report**OBJECTIVES AND STRATEGIES**

The Governing Body presents their annual report together with the financial statements and auditor's report for City College Plymouth 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 City College Plymouth. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The College has one subsidiary company, Achievement Training Ltd, a private training provider.

Mission, Vision, Strategy and Objectives

Governors reviewed the College's vision and purpose during 2020/21 and adopted a revised statement in July 2021 as follows:

Our vision and purpose - Learning destination of choice.

Our values

- Respect
- Ownership
- Integrity

Our priorities

- Staff - Our most important investment
- Students - Our purpose
- Community - Making a difference
- Achievement - Reputation for success
- Wellbeing - Infusing health into everyday

8 Strategic Actions

We have identified the following Strategic Actions.

1. Curriculum Strategy
2. Assets and Estates
3. Finance
4. People Management
5. Digital
6. Health and Wellbeing
7. Manufacturing, Maritime and Construction
8. Opportunities

Each Strategic Action has been allocated an owner who is responsible for preparing strategic action plans in support of the delivery of the operational elements of the Strategic Action plan. A review of the strategic actions commenced in the summer of 2024 to ensure strategic actions were still appropriate and in line with the changing local and national landscapes.

Financial objectives

The Finance Strategic Action will support the creation of our College vision (The Learning Destination of Choice), ensuring financial resilience for security and driving growth and innovation for the future. The strategic action will support the delivery of the other strategic actions by working together to identify their financial requirements and associated capital and revenue opportunities. Generating and reallocating funding to invest into resources (including staffing, estates, equipment) to support growth. We will develop financial agility by leading, identifying and prioritising actions supported by timely and accurate information to inform decision making.

Recognition of the importance that good financial health has on our ability to achieve our vision. It continues to form the foundation for the success of the seven other Strategic Actions.

Good financial health has never been more crucial, that is why we have a clear plan for the future.

One key aspect of this plan is being able to quickly identify new streams of revenue through funding opportunities, projects and partnerships. This can only happen with the right people with the right skills in the right place.

A series of indicators have been agreed to monitor the successful implementation of the policies. The financial objectives are reviewed as part of the Finance Strategic Action plan.

RESOURCES (see page 8 College highlights)

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

Tangible

Tangible resources include the main College site.

Financial

The College Group (being the College and its subsidiary) has £19,017,000 (2023/24: £18,760,000) of net assets, excluding the defined benefit pension surplus of £10,885,000 which was not recognised (see note 22) (2023/24: Surplus £3,473,000). There is an outstanding loan of £2,220,000 (2023/24: £2,468,000). This loan is a loan from the local council.

People

The College Group employs 806 people of whom 520 (64.52%) are teaching or teaching support staff.

Students

The College Group enrolled approximately 10,587 students. The College's student population includes 3,654 16-to-18-year-old students, 1,640 apprentices, 315 higher education students, 125 international students, and 3,712 adult learners (of which 249 were on Advanced learner loans). In addition, the Group had a further 1,141 other 16-18 and 19+ learners.

STAKEHOLDER RELATIONSHIPS

City College Plymouth has many stakeholders. These include:

- Students (current, future and past);
- Staff;
- Governors;
- Education sector funding bodies;
- FE Commissioner;
- Local employers (with specific links);
- Local Authorities;
- Local Enterprise Partnerships;
- The local community;
- Other FE and HE institutions;
- Trade unions;
- Professional bodies; and
- Parents/Carers.

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

The Chief Executive/Principal (Accounting Officer), two student Governors and two staff Governors are members of the Corporation.

The College carries out regular surveys on both student and employer perceptions of the College and student and staff feedback on particular issues is encouraged by the focus groups. A staff satisfaction survey is conducted annually.

The College's internal survey, which took place in November 2024 and April/May 2025, reflected these high levels of satisfaction, with learners' overall satisfaction with the College 86%, exceeding the College target and national average. Across the survey, student feedback remains good, with the majority of questions scoring 90%, or above, good or better. The questions related to respect received from staff and fair treatment and understanding equality and diversity scored highly, at 92% and 95% respectively. 94% of students feel safe whilst at College and within their learning environments.

In November, the College hosted Ofsted who came to evaluate our provisions. The inspection worked collaboratively with the College as well as students and industry links to review provision under the Education Inspection Framework (EIF). The impact of the inspection provided extensive and constructive feedback and support to the curriculum area with improved outcomes for students. Ofsted highlighted several strengths from student and staff voice:

- "Learners and apprentices feel safe at College and at work."
- "Learners and apprentices' behaviour at College and work is excellent. They attend College well and are punctual to their lessons. They are respectful towards each other and to staff."
- "The large number of learners who use the College's recreational areas to relax, read or play games do so harmoniously. This creates a positive and inviting atmosphere."
- "Learners and apprentices value the excellent counselling and mental health support they receive."
- "Learners who experience hardship receive exceptional support from staff..."
- "Learners and apprentices value the free breakfasts that are made available to them at the College and how this helps them to start their day well."
- "Learners appreciate the subsidised gym membership that they can use to access health facilities in the city at reduced rates."
- "Learners... value how opportunities deepen their knowledge of cultures and provide insights into the environmental impact of tourism."
- "Learners enjoy their lessons."

- “Adult learners... enjoy being asked to explore concepts... and then sharing their opinions in lively group discussions.”
- “Apprentices... value how assessors break down complex units... and feel well prepared for their examinations.”
- “Most learners receive effective advice to help them make decisions about their future training and career.”
- “The College’s expert careers advisers tailor advice through an accessible drop-in service and a range of activities...”
- “Learners receive age-appropriate information... about how to maintain healthy sexual relationships. Consequently, most learners have a good knowledge of how to recognise harmful or coercive behaviours.”
- “They value that staff are approachable and visible throughout the College’s campuses.”
- “Learners and apprentices are confident that they can report concerns to staff and that these will be taken seriously.”

PUBLIC BENEFIT

City College Plymouth is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 21-22.

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.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to 10,587 students, including approximately 433 students with high needs. The College Group provides courses without charge to young people, to those who are unemployed, and adults taking English and Maths courses. The College Group adjusts its courses to meet the needs of local employers and provides training to 1,640 apprentices. The College Group is committed to providing information, advice, and guidance to the students it enrolls, and to finding suitable courses for as many students as possible, regardless of their educational background.

The College Group provides high-quality teaching and has strong student support systems. Activities are undertaken to engage with hard-to-reach students and those from disadvantaged backgrounds. Bursary funding is used to support students with travel to the College and help towards meal costs and costs such as childcare. Contributions towards equipment and personal protection equipment (PPE) are available. The College Group wishes to ensure that no student is excluded from learning and reaching their full potential.

The College has an excellent employment record for students through its strong links with employers, industry and commerce, and links with the local authority and Local Enterprise partnerships (LEPs).

The College has a high-quality careers system that helps young people have the best start to their working lives and provides high quality careers advice, free to all, in line with the Government's Careers Strategy.

DEVELOPMENT AND PERFORMANCE FINANCIAL RESULTS

The Group generated a surplus, before adjusting for actuarial gains, in the year of £309,000 (2023/24: surplus of £628,000). Excluding other FRS102 defined benefit pension scheme adjustments (and other non-cash items), the Group's operating performance was a surplus of £289k (2023/24: Surplus £514k).

The College proactively manages its cost base whilst aligning to delivery requirements to maintain high quality teaching, learning and assessment, and student outcomes. The College carefully monitors cashflow through weekly cashflow forecasts and reports against loan covenants within the monthly management accounts. Plans and financial performance are monitored regularly by the Board.

Cash flows and liquidity

Net cash outflow is at £779,000 from operating activities (2023/24: £116,000 inflow). The decrease from the prior year is due predominantly to increased debtors late into the year, which were settled in August 2025.

Cash in hand at the end of July 2025 was £8,752,000, which was marginally lower than the previous year (2023/24: £9,005,000).

The size of the College's total borrowing, and its approach to interest rate management, is monitored to ensure there is a cushion between the total cost of servicing debt and operating cash flow. During 2024/25, the interest paid of £81,000 was not exceeded by the operating cash outflow of £779,000 due to the increased debtor at year end.

Sources of income

The College Group relies on the various funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, the various funding bodies provided 85.95% of the College Group's total income.

Group companies

The College has a subsidiary company, Achievement Training Limited ("ATL"), a private training provider operating in Plymouth. Any taxable profits generated by the subsidiary are transferred to the College under deed of covenant (gift aid). In the current year, the surplus transferred via gift aid was £157,000 (2023/24: £185,000).

CURRENT PERFORMANCE AND HIGHLIGHTS

The College is committed to observing the importance of sector measures and indicators and use the FE Choices data available on the GOV.UK website, which looks at measures such as achievement rates. The College is required to complete annual financial returns for the Department for Education (DfE). The financial health score for 2023/24 was calculated as 'Good'. For 2024/25, the calculation is returning a Group score of 220 points, which equates to 'Good'. This is in line with the monthly management account forecasts.

College highlights

We are bold, ambitious and driven – not just for our College and for our students, but for the whole of the City and there is much to celebrate. Ultimately, colleges like ours are judged by the achievements of our students. Our success is reflected in the exceptional achievements of our students, whose feedback speaks for itself. We know that students rate their experience very highly with us, as do our valued employer partners with whom we work.

The College is actively embedded within its communities, providing the highest quality education and training and creating life-changing opportunities, not just for the young people of Plymouth, but for adults returning to learn, people seeking to enhance their career opportunities and those looking for employment.

Since achieving Google Reference College status, our digital journey continues at pace, and we continue to seek wider uses of digital technology for the benefit of our College community.

Ultimately, the College's vision "*learning destination of choice*" is driving our commitment and engagement both with internal and external stakeholders.

Some specific achievements include:

- Shortlisted for the National Manufacturing Awards 2025, Developing Future Talent award;
- Launch of the brand-new Princess Yachts Academy;
- 100% Pass rate for T Level students in digital, education, and fabrication and welding;
- Overall pass rate of 100% for GCSE results in Business, Chemistry and Physics;
- Overall pass rate of 97% for GCSE English and Maths for students of all ages;
- Won the British Gypsum College of the Year Award;
- Accredited academic partner of CABE (Chartered Association of Building Engineers);
- Skilfully speaking podcasts surpassed 170,000 listens;
- Won the AoC Beacon Award for Digital Innovation – a national recognition of excellence in Further Education, for an AI-powered Quality of Education tool to transform the way we support our staff and enhance learning;
- Partnered with Argyle Community Trust to launch Esports Academy in partnership with Foulston Park. This partnership provides clear pathways into higher education and careers in the growing Esports industry;
- The College was proud to host the regional qualifier for SkillBuild 2025. Welcoming over 75 competitors, who put their skills to the test over six hours across five disciplines: bricklaying, carpentry, joinery, plastering, and painting and decorating, all vying for a place at the National Final. College student Finn Holmes, a second-year plastering apprentice, took first place in his category;
- College lecturers have been highly commended/shortlisted for prestigious awards including FE Lecturer of the year (Pearson National Teaching Awards) and Role Model of the year (2025 British Forces in Business Awards);
- Implementation of the Job Evaluation Scheme which adopted the principle of "equal pay for work of equal value" and demonstrated a commitment to be a Living Wage Foundation Accredited Employer.

The College welcomed the Plymouth City Council Economic Growth Team as part of the ongoing collaboration to drive forward the city's 10-year economic and social ambitions. The visit offered a valuable opportunity to share insights, explore joint opportunities, and reaffirm our shared commitment to sustainable, inclusive and high-value growth for Plymouth.

A group of construction and media students took part in an unforgettable life-changing trip to South Africa, where they lived off-grid near the Nambiti Game Reserve. They built a giraffe lookout point, developed bush survival skills, and had meaningful conversations with local Zulu communities, gaining insight into global perspectives on construction, gender roles and family life.

Hospitality and Catering teams have hosted NextGen bake-off, a brand-new schools competition. PL1 Street Eats team hosted a stall at the annual Seasfest event.

FUTURE PROSPECTS

Financial plan

The College Governors approved a financial plan in July 2025 which sets objectives for the period to July 2026. The College aims to maintain its health rating of 'Good' and reports a Group operating deficit (excluding the FRS102 pension calculation) of £20k in the year to 31 July 2026.

The financial strategy of the College is to ensure that it remains sustainable and financially viable in the long term whilst meeting the objectives set out in the Strategic Plan. The budget and forecast have been developed with the aim of maintaining a sustainable level of financial performance, consistent with that of a Good financial health rating, whilst seeking outgrowth opportunities which may in themselves require investment. A small Group deficit of £27k is

forecast throughout the financial plan period, after any inter-company adjustments on consolidation with ATL. All surpluses are before FRS102 pension adjustments.

It is also possible that some areas of delivery (for example, training for the unemployed) will increase and new funding income will be available to support this. This potential income opportunity has not been modelled in the budget, as it is still speculative at this stage. Equally, no changes in funding policy have been assumed.

If the forecast is achieved, impact on cash and solvency will be manageable, which is the overriding driver for the immediate financial objectives.

Future developments

The Civic Centre campus development is a major strategic undertaking for City College Plymouth, designed to establish a world-class, future-ready teaching environment at the heart of the City. This project is a core component of the College's estate portfolio management, focusing on delivering cutting-edge technical facilities that align directly with regional and national skills priorities in high-growth sectors such as defence, clean maritime, and advanced engineering.

By creating a modern, accessible, and high-quality learning hub, the Civic Centre will significantly enhance the student experience, strengthen employer partnerships and reinforce the College's ambition to secure prestigious designations, like the Defence Technical Excellence College status, ultimately ensuring the delivery of a highly skilled workforce for the South West economy.

The UK government unveiled a major £600 million investment over the next four years to train 60,000 more engineers, bricklayers, carpenters and electricians by 2029. This ambitious initiative is designed to address critical skills shortages in the construction and engineering sectors, supporting the national goal of building 1.5 million new homes and creating 35,000 jobs.

The College saw significant growth in learner numbers with the Brick section of Construction during 2024/25. With growth expected again in 2025/26 – in line with both the national focus of Construction and the significant construction pipeline in the City – the College is undertaking essential expansion of the Brickwork training facilities. To be undertaken in the autumn term of 2025, these new facilities will provide a high-quality training environment within which to deliver the construction works required to meet this essential skills area.

Similarly with the demand for Engineering, which is now requiring additional facilities to be constructed to meet the demands of the Engineering and Advanced Manufacturing sectors. New facilities, including a dedicated Welding Workshop and a full suite of welding bays, will be added alongside the existing Engineering building, and a modernised diesel workshop for heavy vehicle training, ready for January 2026. These new facilities will meet industry demand for skilled welders and engineers, support apprenticeships and T-Level delivery.

The College has introduced innovative curriculum pathways with our High Needs and SEND provision, designed to enhance skills development for learners' experience, ensuring they are tailored to individual needs, aspirations and employability goals. These pathways:

- Promote learner identity and confidence through personalised learning plans;
- Incorporate vocational, life and independence skills to support progression; and
- Strengthen employability links with local businesses and supported internship opportunities.

This development aligns with our commitment to creating an inclusive and aspirational learning environment where all students can thrive.

Curriculum developments

We have been responding to a changing economy with education that connects learning and our learners to the real world, working with students, employers and other stakeholders to shape a flexible, agile skills provision, supporting employment, innovation and productivity through our curriculum strategic action. Over the last academic year our Strategic Action for our curriculum has reflected the College's passion to transform futures through high-quality teaching and learning. It is building a vibrant and exciting curriculum that is distinctive, flexible, employer-led and truly responsive, which embraces opportunities and exceeds stakeholder expectations.

We are, therefore, continuing to create a curriculum that surpasses the requirements of both students and employers of today and tomorrow.

The College has an excellent reputation for curriculum innovation and change. In line with our Strategic Actions, Accountability Statement, regional LSIP requirements, and then following an enhanced skills planning phase with extensive stakeholder engagement and utilising vector software, we provide a skills offer designed to local, regional and national demand. Both the Lightcast (Labour Market Intelligence) software tool and the vector market intelligence tool have been invaluable resources in setting the strategic direction of the College; we undertake a detailed analysis of the College's market share and recruitment trends on an annual basis, which is then utilised during the skills planning process to ensure areas of demand are addressed and gaps in skills delivery having remedial action put in place. In addition, both Lightcast and Vector software also allows us to map this to emerging population trends to allow us to build capacity and, therefore, understand future skills requirements along with projected numbers and the introduction of new curricula. To develop these curriculum opportunities, the College has worked closely with key stakeholders to ensure our offer reflects the skills needs of the current national, regional and local picture, as well as to fully meet student and employer needs. An example of direct curriculum outputs from this activity is the development of the new Cyber Security provision and facilities undertaken with extensive with stakeholder engagement.

The College is taking a leading role in the City in extending the available foundation learning curriculum that is innovative and meets the needs of students. A key theme is the enhancement of our students' employability skills: literacy, numeracy, and digital skills; positive attitude; thinking and solving problems; working together and communicating; and understanding business. The curriculum will continue to be enhanced through close working with our local authority partner and utilising associated guidance to ensure that our learners have opportunities for developing, demonstrating, and recording these skills.

To enhance our student experience even further and the developments of our offer, the College continues to increase the types of devices that support staff and students at the College. To realise the College's ambition of being a college of the future, the resource specification has had to change to support a truly agile and dynamic way of working for both staff and students. We have a target to achieve a 1:1 student on site to device ratio. Since September 2020, the College has invested in and rolled out a significant number of digital devices.

For instance, additional Chromebooks for classrooms and for students to borrow from the library and turning classrooms into agile teaching and learning spaces where students and teachers can use technology in a flexible way, creating a dynamic space that supports a greater range of activity. We have also invested in 800 Chromebooks to allocate on an individual basis to learners with EHCPs and those needing support in accessing IT equipment due to financial hardship. As a result, technology loans have increased exponentially due to the quality of the devices and the use of our Google Workspace tools. The College's vision is to continue flipping static resources with agile and appropriate technology to realise vision and values and continue its digital journey. As a Google Reference College, we are proactively modifying our current provision and/or developing new courses to address gaps in our provision.

Upon the release of each set of Higher Technical Standards, we continue to map them against our provision and have/will be submitting applications to the Institute for Apprenticeships and Technical Education for the Kitemark, where appropriate. So far, all HTQ applications that have been submitted to date have been successful thereby providing us with the opportunity to now schedule and deliver these qualifications.

The apprenticeship levy and changes to rules around apprentice qualifications has enabled the College to embrace changes to apprenticeship delivery, working with our partner organisations to develop bespoke apprenticeship 'standards' qualifications, and, as we monitor the introduction of the new Growth and Skills Levy, we will adapt our offer to meet stakeholder demand.

Many of our students have low levels of prior educational achievement. The College is growing the range of courses aimed at students who are returning to education. These include the Personalised Learning Programme and Skills for Life programmes.

Other courses prepare students for university, including both our Access to HE courses for adults

and, through close liaison with the University of Plymouth and Plymouth Marjon University, the delivery of a wide range of Foundation Degree programmes.

The College is working on different methods of delivery, including a greater element of online learning, linked very much to our digital agenda where all our courses now have an element of online delivery. In addition, we have specific online courses for Care, Business and Maths GCSEs and are looking to expand this provision even further.

In addition, the College is now offering a suite of T Level qualifications. These qualifications are designed to bring together classroom and work placement on courses designed with employers and businesses. As such, the College has been working to source high quality, occupationally relevant industry placements that are aligned to a learner's T Level course and the pathway therein. The College is in the process of ensuring it has a sufficient and ever increasing number of industry placements in place to support T Level delivery by securing a substantial number of official agreements with employers that take the form of a Memorandum of Understanding (MoU) in order to detail the scope of the partnership (including the area of collaboration, number of industry placements per annum, roles, etc.), roles and responsibilities, with a number of industry placement opportunities. Capacity and Delivery Funds (CDF) have allowed the College to incorporate the Grofar industry placement software to support the recording, tracking, reviews and all related documentation across College as well as ongoing quality assurance.

We remain an active participant on the Board, SMT and EMT of the South West Institute of Technology (SWIoT) and the creation of our Maritime Centre of Excellence at Oceansgate has opened new doors into curriculum enhancement in areas such as Autonomy and 5G usage for mobile control centres. The College is now leading the way in Marine Autonomy and alternative fuels with significant expansions taking place in our Maritime, Manufacturing, Construction and the Built Environment.

Higher Education

The College is working with two awarding organisations (University of Plymouth, Plymouth Marjon University) with the majority of the courses under University of Plymouth.

The College promotes development and delivery of a greater breadth of Higher Education courses to meet internal progression demand, and local/ regional higher-level skills gaps.

The College also supports higher apprenticeships for the engineering sector, with apprentices studying on our HE courses, and we are looking to work with the apprenticeships team to expand the higher and degree apprenticeship provision.

The strategy is underpinned by the Quality of Education Policy (QoE). This Policy provides an overview of the expectations for all staff at the College regarding the delivery of an outstanding educational experience for all students within the scope of this submission. The expectations articulated are applied to all academic and support staff and include the celebration of good practice, the provision of excellent learning environments, clear structure and delivery and the importance of utilising an individualised approach to student's academic experience, providing opportunities for recap and review, and that students are clear on the intent of each academic experience. The impact of our QoE strategy and policy is that our curriculum teams are delivering a broad and rich curriculum. This curriculum equips students with the appropriate skills, supports successful outcomes regarding completion of studies and enables and encourages progression to further study and employment.

The College has developed bespoke HE provision in line with employer driven demand. This has created opportunities to diversify income and move to full cost recovery working with employers and working more closely with sector skills councils to identify specific skills gaps. A range of progression activities also encourage greater take up of HE from level 3 courses at the College via our Next Steps South West workings across the City.

Higher Technical Qualifications (HTQ's) continue to be a priority area of development for us moving forward. The College is now working to realign its strategy for HE providing a wider scope of Higher National Certificates and HTQ off the shelf provision and reevaluating our domestic and international offers.

Digital transformation

The College continues to drive digital transformation initiatives that enhance operational efficiency, improve digital equity, and strengthen its impact on the local community. Supported through both College and external grant funding, several key investments have been made:

- Enhancing digital equity for students through the expansion of the Chromebook fleet and the provision of Wi-Fi dongles for learners without reliable broadband access at home;
- Upgrading IT service management systems with an integrated AI-powered and self-service platform to deliver more efficient and responsive IT support;
- Increasing staff mobility and flexibility by expanding the staff laptop allocation, enabling agile working across campuses and from home;
- Modernising communication tools through the upgrade and extension of the College's staff mobile phone fleet, improving productivity and connectivity while working remotely;
- Expanding network capacity from 1GB to 10GB to significantly enhance connectivity and the overall digital learning experience;
- Streamlining administrative processes via new software solutions that automate and simplify the joiner, mover, and leaver workflows for both students and staff;
- Commencing the transition to Windows 11, including the procurement of new hardware to replace legacy systems and ensure future compatibility;
- Upgrading classroom technology by replacing outdated student-facing equipment with interactive screens as part of the College's digital classroom standardisation programme;
- Investing in professional development through a best-in-class IT training platform to ensure the IT team remains skilled in delivering and supporting modern technologies;
- Enhancing print management with a new managed print solution featuring standardised hardware and industry-leading software to improve efficiency and sustainability;
- Jisc-Sponsored Beacon Award for the effective use of digital technologies in Further Education;
- Expansion of DLQ App development to better tie observations to staff development and CPD;
- Continuation of VR packages such as Avietra, BodySwaps etc. that enable a more varied approach to delivery (199 VR sessions in 2024/25);
- Continuation of Teachermatic which supported a noticeable increase in staff confidence with using AI technologies; and
- Expansion of DLQ ebook access including a new fiction book platform to encourage reading for pleasure.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its 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 borrowing for temporary revenue purposes is authorised by the Chief Financial Operations Officer, in liaison with the Head of Finance, although this has not been required in recent years. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum/Funding Agreement. Following the FE reclassification of Colleges, new finance arrangements or drawdown of funds post-reclassification under existing finance arrangements are subject to Managing Public Money (MPM) rules and colleges are required to obtain the written consent of the Department for Education (DfE) in advance of committing to any new financing arrangements or actioning any new drawdowns of overdrafts, Revolving Credit Facilities (RCFs) or loans.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College Group reserves include £44,000 held as restricted reserves. As at the balance sheet date, the Income and Expenditure reserve, excluding pension provision, stands at £15,398,000 (2024: £14,857,000). It is the Corporation's intention to increase the life of the strategic plan to invest back into supporting the vision, through the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Governing Body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

The College has a comprehensive risk register, which is reviewed and updated by the Risk Management group. The risk register is reviewed at each Audit Committee meeting, and specific high-risk areas are also monitored by individual committees. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Cost of Living Crisis

In recent years, we have seen an unstable political environment and a cost-of-living crisis. 2024/25 has seen a bumpy path as inflation rates have both risen and fallen with key driving factors including high food prices, energy price volatility and increases in the price of services. Pressure remains on the College finances and its expectation to support staff and students through this time.

Climate Change

The UK Government committed to achieve net zero emissions by 2050, with an environment plan that set out their goals for improving the environment within a generation and leave it in a better state than they found it. The Department of Education's policy paper, "The Sustainability and climate change" – a strategy for the education and children's services systems, supports the governments net zero targets and the role of education to support net zero through skills, decarbonisation and its role in nature's recovery.

City College Plymouth has acknowledged that there is a climate crisis by declaring a Climate Emergency in October 2021 and continues to take actions and remains mindful that the impact of our actions could fall disproportionately on the poor and vulnerable, particularly as the cost-of-living crisis continues and the country transitions to a low carbon economy. Therefore, we remain committed to adaptation and change together as a whole community – staff and students.

We have played catch up on this action as a result of the pandemic of 2020 in ensuring we can support the costs associated with becoming carbon neutral.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government funding

The College has considerable reliance on continued government funding through the further education sector funding bodies. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels nor on the same terms. With the recent change in Government, it is inevitable that there will be further changes ahead.

The College is aware of several issues which may impact on future funding, including any further reforms to apprenticeships, the provision of 'T' levels and the devolution of the Adult Education Budget. The College, in conjunction with its key stakeholders, has developed a financial strategy.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- By ensuring the College is rigorous in delivering high quality education and training;
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding; and
- Continuing dialogue with the funding bodies.

2. Tuition fee policy

The current fee assumption remains at 50%. In line with the majority of other colleges, City College Plymouth reviewed tuition fees in accordance with the fee assumptions. In recent years, the removal of funding from many traditional L3 courses towards more technical qualifications would arguably have forced more students down the loan route until the College moved to the new qualifications. Arguably, offsetting some of this was the introduction of The National Skills Fund – Free Courses for jobs. Evidently, there is risk across Adult Skills as provisions change and demand falls as fees increase. This will impact on the growth strategy of the College. 2026/27 will see the introduction of the Lifelong Learning Entitlement, which is set to replace Advanced Learner Loans.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students;
- Close monitoring of the demand for courses as prices change; and
- Review of the fees policy annually.

3. Failure to maintain the financial viability of the College

As referred to in 'Performance indicators' within the Members' Report, based on forecast accounts for the 2024/25 year, the College's current financial health grade is being calculated as 'Good'. The continuing challenge to the College's financial position remains to outturn in line with the 2025/26 budget and deliver against its short to medium term business plan.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis;
- Regular in year budget monitoring;
- Robust financial controls;
- Exploring ongoing procurement efficiencies; and
- Keeping the cash flow under constant review and taking appropriate action to remain within agreed limits, including negotiating short term overdraft facilities if appropriate.

4. Increasing cost pressures

- Utility price pressures and cost of living increases; and
- These continue to be monitored, and risks mitigated, where known.

LGPS surplus position

As at 31 July 2025, the actuarial valuation for the College includes a surplus totalling £10,885,000 (2023/24: £3,473,000). This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rates which contributed to the closing surplus position. There is no specific guidance in FRS 102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the College, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the College, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes, which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the

contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, Colleges being part of a stabilisation approach which sets a limit on any change to contributions e.g. to 1% of pay per year. This suggests minimum funding requirements are applicable to the College as determined by IAS19. When actuary asset ceiling calculations assume that minimum funding requirements exist, they provide an asset ceiling value of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable, therefore no asset has been recognised.

KEY PERFORMANCE INDICATORS

The College's key performance indicators, targets and results are set out below:

Financial indicators

Key Financial Health Indicators (Group)	Year End
Adjusted current ratio	2.02
EBITDA as a % of income - education specific	3.02%
Total borrowing as a % of income	4.99%
Calculation of Grade	
Adjusted current ratio points	100
EBITDA as a % of income points	30
Borrowing as a % of income points	90
Total points	220
Overall Financial Health (Group)	Good

College

Key Financial Health Indicators (College)	Year End
Adjusted current ratio	1.97
EBITDA as a % of income - education specific	2.58%
Total borrowing as a % of income	5.07%
Calculation of Grade	
Adjusted current ratio points	90
EBITDA as a % of income points	20
Borrowing as a % of income points	90
Total points	200
Overall Financial Health (College)	Good

Student numbers

In 2024/25, the College Group has delivered activity that has produced £39,051,000 in funding body main allocation funding (2023/24: £34,034,000). The College had approximately 9,321 funded and 1,266 non-funded (paying) students.

Student achievements

Students continue to prosper at the College. Overall achievement rates in 2024/25 were 85%.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2024 to 31 July 2025 the College paid 89% per cent of its invoices within 30 days (2023/24: 91.82%). This represents an average for the year. Payment of creditors is monitored as part of the monthly management accounts. The College incurred no interest charges in respect of late payment for this period.

Streamlined Energy and Carbon Reporting

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

- Replacement of more cat 2 lighting with LED;
- Continued the turn off the light campaign;
- Continued to promote the reduction of paper by promoting the use of the virtual learning environment and other technology as far as practicable;
- Reviewed the Building Management System and made changes to the heating schedules to ensure that buildings and rooms are heated when they are required as opposed to continuous heating; and
- Replaced old occupancy sensors to operate heating only in areas where and when it is required.

The College's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting are as follows:

UK Greenhouse gas emissions and energy use data	2024/25	2023/24
Energy consumption used to calculate emissions (kWh)	4,088,330	4,270,843
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	354.05	403.39
Owned transport	6.62	6.67
Total	360.67	410.06
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	445.69	427.68
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Waste, WEE, water, staff and student commute	2,895.36	2,899.21
Total gross emissions in metric tonnes CO₂e	3,701.72	3,736.95
<u>Intensity ratio</u>		
Metric tonnes CO ₂ e per FTE staff member, the recommended ratio for the sector	6.068	6.388

Trade union facility time

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

Numbers of employees who were relevant trade union officials during the relevant period	FTE employee number
11	9.42

Percentage of time spent on facility time	Number of employees
0%	-
1-50%	11
51-99%	-
100%	-
Total cost of facility time	£19,657
Total pay bill	£29,264,274
Percentage of total bill spent on facility time	0.07%

EQUALITY, DIVERSITY and INCLUSION

At City College Plymouth, we recognise that diversity is one of our greatest strengths. An inclusive culture enriches the experience of every student and member of staff and prepares our students to thrive in a vibrant, global society. We are acutely aware of our responsibility to promote and uphold the core values that underpin a healthy, fair, and modern democracy – values that our students carry with them beyond their time at the College. 94% of students feel safe at the College.

This update outlines our progress and priorities for embedding Equity, Equality, Diversity and Inclusion (EEDI) across the College. It provides assurance that EEDI remains central to our culture, operations and decision-making – positively impacting the experiences and outcomes of both students and staff.

We take pride in creating a community where individuals are celebrated for their uniqueness and supported to achieve their full potential. Through proactive leadership, robust governance and a whole-college approach, we ensure that EEDI values are not just principals, but everyday practice.

At City College Plymouth, EEDI means creating a fair, respectful and inclusive environment where everyone feels valued, supported and able to thrive. EEDI is about ensuring every individual has an equal opportunity to achieve their full potential, by celebrating differences, removing barriers and treating everyone with fairness, dignity and respect.

We have clear and visible commitment to embedding equality and our work practices demonstrate this through:

- Prioritising a respectful culture, which discusses the challenges prejudice;
- Valuing and celebrating the reward that diversity and difference bring to the College community;
- Providing opportunities to learn about difference and promoting the benefits of developing knowledge and skills that improve personal and communal relationships;
- Acting swiftly to maintain a safe environment where discrimination, harassment, intimidation and bullying in all its manifestations are challenged;
- Advancing equality of opportunity between people who share a protected characteristic and those who do not;
- Expecting all members of our community to share our vision and values of respect, ownership and integrity for EEDI; and
- Being clear with those who work and learn with us about the inherent values for life and work in modern British society.

The College remains steadfast in its commitment to offering an extensive range of quality Continual Personal Development (CPD) activities, tailored to effectively engage staff and support the development of both individuals and teams. We have continued to implement online sessions for mandatory training, ensuring that all staff, whether new or existing, acquire essential knowledge and skills for their roles. This includes comprehensive training in EEDI.

Wellbeing initiatives, including wellbeing advice, counselling services and mindfulness programmes, Mental Health Awareness Week and therapy dogs have equipped students with tools to manage stress, build resilience, and maintain a healthy balance between academic and personal life. Specifically, the Lighthouse Wellbeing Centre provides a dedicated facility for students with pastoral support, wellbeing advisors and counselling teams, and a secure space for students who might be struggling with their emotions or anxieties.

Every year, College students and staff join the rest of the UK in marking LGBTQ+ History Month and take part in the Plymouth Pride event to embrace and celebrate the diversity of the LGBTQ+ communities. A total of eight students were identified as expectant mothers throughout the academic year. Young parents are supported through a range of support packages, such as young mother starter packages, one-to-one welfare support and additional financial assistance when required.

The College provides support for transgender students or staff as appropriate to the needs of the individual. Gender identity equality is included within mandatory staff training and specialist training from the Intercom Trust to ensure that staff have awareness of transgender issues. The College helps to signpost students to a range of external support groups.

For World Culture Day, we celebrated with vibrant contributions from ESOL, international, hospitality, art and design, and performing arts students. The event showcased food, music, dance, fashion and traditions from around the world, with performances, creative displays and international tasters. It provides opportunities for intercultural dialogue for achieving peace and sustainable development. This day of celebration was a resounding success. The manner in which our staff and students embraced and celebrated this global event was inspiring and emotional. This was supplemented by excellent local, regional, national and international community involvement.

Staff Satisfaction

The College has implemented a number of staff wellbeing initiatives including wellbeing break out areas across the College sites, this has been received well by staff and feedback is positive.

People

The College Group employs 806 people of whom 520 (64.52%) are teaching or teaching support staff.

GOING CONCERN

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

The College has £2,220,000 of loan outstanding to Plymouth City Council on terms negotiated in 2016. The College's forecasts and financial projections indicate that it will be able to operate within existing facilities for the foreseeable future.

Despite the challenges faced, the College Group delivered an underlying operational performance above budget. On a day-to-day basis, the College proactively manages its cost base and has aligned staffing levels to delivery requirements, whilst maintaining high quality teaching, learning and assessment, and student outcomes. The College carefully monitors cashflow and other variables through the monthly management accounts. Plans are monitored regularly by the Board.

Assuming no adverse change to funding levels in Further Education, the Financial Plan, which underpins the Strategic Plan, indicates a small operational deficit will be the outturn result in 2025/26 and this will be transformed into an operational surplus in 2026/27. There may be challenges in delivering this plan, however, these will be closely monitored to mitigate any risks.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

None.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor 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 order of the members of the Corporation on 15 December 2025 and signed on its behalf by:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned over a dotted line.

Richard Stevens CHAIR

Statement of Corporate Governance and Internal Control

GOVERNANCE STATEMENT

The following statement is provided to enable readers of the annual report and financial statements 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

Governance Code

The College endeavours to conduct its business:

- a) In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- b) In full accordance with the guidance to colleges from the AoC's FE Code of Good Governance.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025 and up to the date of signing of the accounts. This opinion is based on both an internal review of compliance with Code reported to the Board within an eighteen-month period and external verification by Ofsted, whereby the College was awarded "Good" status.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges issued by the Association of Colleges in 2023, which it formally adopted on 2 October 2023.

THE CORPORATION

Members of the Corporation

The members who served on the Corporation during the year and up to the date of signature of this report are listed in the table below:

Name	Date of Appointment / Reappointment	Term of Office	Date of resignation	Status of Appointment	Committees Served	Attendance at Board and Committees
Jackie Grubb	03/06/2019	Ex officio		Principal & CEO/ Accounting Officer	Corporation Board	100%
Richard Stevens	22/03/2021 27/03/2023 17/03/2025 (approval of third term to 26/03/2027)	4 years 4 years 4 years		External	Corporation Board Remuneration Committee	100% 100%
Adam Croney	04/02/2019 Reappointed 03/02/2023	4 years 4 years	17/12/2024	External	Corporation Board Audit Committee Remuneration Committee	50% 100% 100%
Rebecca Archer	15/10/2021 14/10/2024	4 years 4 years		External	Corporation Board Audit Committee	100% 100%
Justine Hardie	15/07/2024	4 years		External	Corporation Board	100%

Name	Date of Appointment / Reappointment	Term of Office	Date of resignation	Status of Appointment	Committees Served	Attendance at Board and Committees
Sam Peach	27/03/2023	4 years		External	Corporation Board Audit Committee Remuneration Committee	83% 67% 100%
Victoria Pomery	28/03/2022	4 years		External	Corporation Board Remuneration Committee	50% 100%
Amanda Ratsey	01/05/2022	4 years		External	Corporation Board	33%
Emanuel (Sam) Samuel	15/10/2020 14/10/2024	4 years 4 years		External	Corporation Board	33%
Chris Saxby	14/10/2024	4 years		External	Corporation Board Audit Committee	83% 100%
Gary (Sam) Shattock	15/07/2024	4 years		External	Corporation Board	83%
Martin Boulter	15/02/2022	4 years		Staff Governor	Corporation Board	80%
Chaz Talbot	28/03/2022	4 years		Staff Governor	Corporation Board	100%
Humaira Rahman	01/09/2024	1 Academic year	31/08/2025	Student Governor	Corporation Board	60%
Holly Whittaker	01/09/2024	1 Academic year	31/08/2025	Student Governor	Corporation Board	100%

Laura Sadler was the Director of Governance.

In year, one Governor resigned: Adam Croney, following the December Corporation meeting on 16 December 2024 due to time constraints related to increased work commitments.

New Student Governors, Humaira Rahman and Holly Whittaker were elected by Student Voice in May 2024 and automatically appointed as Student Governors to serve on the Board at the start of the 2024/25 academic year on 1 September 2024. Their appointments were formally ratified by the Board at its meeting on 14 October 2024.

The appointment of Chris Saxby, new external governor, appointed in June 2024 was formally ratified by the Board at its meeting on 14 October 2025.

Adam Croney, Vice-Chair and Chair of the Audit Committee resigned from the Board on 13 October 2024 and stood down after the December Corporation meeting on 16 December 2024.

Rebecca Archer was re-appointed by the Board at its meeting on 14 October 2024 for a second four-year term.

Emanuel (Sam) Samuel was re-appointed by the Board at its meeting on 14 October 2024 for a second four-year term.

Chris Saxby volunteered to act as Interim Chair for the Audit Committee, which was supported by the Board at its meeting on 14 October 2024. This appointment was formally ratified by the Board at its meeting on 16 December 2024.

Gary (Sam) Shattock volunteered to sit on the Remuneration Committee, which was supported by the Board at its meeting on 14 October 2024.

Two student governors participated in the Unloc Student Governor Changemaker Programme, which was new for the 2024/2025 year. One student governor was one of ten to be shortlisted for the prestigious National Student Governor of the Year Award, recognising their outstanding leadership, commitment and contribution to student representation and governance. This was a remarkable achievement and a testament to their passion for positive change, collaboration and excellence in student leadership.

Earlier in the year a recruitment campaign was undertaken to attract new governors to the Board. The campaign was prompted through appropriate local and sector channels, resulting in three applications being received. Following a thorough shortlisting and recruitment process, none of the applicants were deemed suitable for the appointment at the time. The Board will consider alternative approaches to attract suitably qualified and experienced candidates in future recruitment campaigns.

Since year end, Victoria Pomeroy has been re-elected Chair of the Remuneration Committee by the Corporation Board at its first meeting of the 2025/26 academic year until the end of their current term of office on 28 March 2026.

The Governance Framework

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

The Corporation 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 and personnel-related matters, including health and safety and environmental issues. The Corporation meets five to six times each academic year, including any special meetings when required.

The Corporation has continued to operate a carver model and conduct its business through the Corporation Board and supporting committees: the Audit Committee; and Remuneration Committee. Each committee has terms of reference, which are updated annually and approved by the Corporation.

Full minutes of all Corporation meetings, except those deemed to be confidential by the Corporation, are available on the College's website (www.cityplym.ac.uk) or from the Director of Governance at the College's registered address.

The Director of Governance maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Director of Governance are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Corporation meetings. Briefings may be provided on an ad hoc basis.

All new Governors take part in induction training, offered both internally and externally in the South West region. Corporation meetings regularly include a session for Governors to develop their knowledge of the College through presentations from different departments.

The College subscribes to the Education and Training Foundation (ETF) Governor Development Programme, and all Governors are encouraged to undertake any of the training this provides. The Director of Governance has undertaken a number of developmental activities during the year, including attendance at the quarterly Association of Colleges (AoC) South West Governance Professionals' Network meetings, as well as a number of governance webinars and workshops, including training opportunities provided by the College to aid self-development. The Director of Governance is currently working towards gaining a recognised qualification.

The Corporation has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Corporation 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 Accounting Officer are separate.

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. Members of the Corporation are appointed for an initial term of office not exceeding four years, except where the Corporation has determined that a shorter period is appropriate, for example, in the case of student Governors. Governors may be appointed for a second term after due consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Corporation performance

The Corporation's governance arrangements continue to be subject to regular review to ensure their effectiveness. An External Review of Governance was undertaken in Spring 2024 and in accordance with DfE guidance, such reviews will be carried out every three years, with the next due in Spring 2027. The Corporation also undertakes an annual self-assessment of governance, as well as a high-level review of governance, supported by our auditors, Bishop Fleming, as part of the Internal Audit Programme. In November 2024, the College was inspected by Ofsted and graded 'Good', providing external validation of the strength and effectiveness of its leadership, management and governance.

Governors have continued to focus on developing the College's strategy and giving support and appropriate challenge to managers and the targets relating to the Strategic Intent set for the Executive Team. The targets set within the 10-year plan for growth to better meet the needs of Plymouth and its surrounding areas, were reported to be on track and up to date with milestones and progress.

Remuneration Committee

Throughout the year ending 31 July 2025, the College's Remuneration Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer and other senior post holders. The Chief Executive/Principal is not present when their remuneration is discussed, and decisions of the Committee are based on comparative data and performance assessments. The Committee reports to the full Corporation Board and details of remuneration for the year ended 31 July 2025 are set out in note 7 to the financial statements.

The College has due regard to the AoC Senior Post Holder Remuneration Code, which forms part of the AoC Code of Good Governance in England, adopted by the Corporation in October 2023.

Audit Committee

The Audit Committee comprised four members of the Corporation (excluding the Accounting Officer and Chair), which reduced to three members for part of the year. The Committee operates in accordance with written terms of reference, which are reviewed annually and approved by the Corporation, in accordance with the Framework for Auditors and Reporting Accountants of Colleges.

The Audit Committee meets on a termly basis and 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 College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

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

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

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

The Audit Committee met on three occasions in the year to 31 July 2025. It considered the Risk Management Framework, including the College's risk appetite statement, as well as key areas such as Data Protection, People Management and Core Financial Controls. The Committee also undertook a comprehensive review of the External Audit Plan for 2024/25.

During the year, no instances of fraud, irregularity or whistleblowing were reported to the Committee.

The members of the Committee and their attendance records are shown below:

Committee member	Meetings attended
Adam Croney (Chair)	1/2
Chris Saxby (Interim Chair)	3/3
Rebecca Archer	3/3
Sam Peach	2/3

During the year Adam Croney resigned from the Corporation Board and Audit Committee.

INTERNAL CONTROL

Scope of responsibility

The Corporation 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 Corporation has delegated the day-to-day responsibility to the Chief Executive/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 they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between City College Plymouth and the funding bodies. They are also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at City College Plymouth 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 Corporation 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 Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly

reviewed by the Corporation.

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; and
- the adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operates in accordance with the requirements of the DfE's College Financial Handbook. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At minimum annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

The College has a comprehensive risk register which is reviewed and updated by the Risk Management group monthly. Risk management processes are designed to protect its assets, reputation and financial stability. The Risk Register is reviewed at each Audit Committee with any specific high-risk areas escalated to the Corporation. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Risks Appetite Statement, which defines the level of risk the College is prepared to accept in pursuit of its strategic vision before action is deemed necessary to mitigate the risk.

The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The risks included in the Risk Register are outlined below. Not all risks are within the College's control and other risks besides those listed may also adversely affect the College.

- Failure to be financially viable;
- Failure to develop a curriculum which meets stakeholder needs;
- Failure to recruit and retain a high-quality team, including Governors;
- Failure to maintain a good reputation, student experience and outcomes; and
- Failure to implement the Estates Strategy.

Control weaknesses identified

No significant internal control weaknesses were identified in year and up to the date of signing these accounts.

Responsibilities under accountability agreements

The College has reviewed its policies, procedures and approval processes in line with the 2024-2025 College Financial Handbook and its accountability agreement with the DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

The College Governors confirm that they have met all conditions under the accountability agreements.

Statement from the audit committee

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. Any recommendations for the further development of governance following the external report were addressed in an action plan and the Audit Committee considered the plan. The Audit Committee believes the Corporation has effective internal controls in place.

All audit reports outline the level of assurance, and an action plan is put in place for any risk areas outlined. The overall action plan is monitored by the Audit Committee via regular progress reports from the internal auditor.

The specific areas of work undertaken by the Audit Committee in 2024/25 and up to the date of the approval of the financial statements are:

- Review and approval of Internal Audit Strategy and Annual Plan from 2024/25;
- Oversight of internal audit reviews, including reports on:
 - Apprenticeships
 - Exams
 - People Management
 - Student/Staff Mental Health and Wellbeing;
- Review of external auditor plan, fees and scope for the 2024/25 financial statements audit;
- Review of the Estates Management to ensure alignment with growth strategies and evolving academic offerings;
- Core financial controls to ensure Safety and Safeguarding;
- Financial Control and Governance Assurance, including reports on fraud, irregularity and whistleblowing (including nil returns);
- Regular review of the Colleges Strategic Risk Register, including assessment of new and emerging risks and Risk Appetite Statement;
- Engagement with DfE and OfS guidance updates affecting audit and assurance responsibilities;
- Preparation and approval of the Audit Committee Annual Report to the Corporation, summarising the Committees work, key findings and assurance options for 2024/25; and
- Horizon scanning and future outlook.

Review of effectiveness

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

- The work of the internal auditor;
- 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 in their management letters and other reports; and
- The Regularity Self-Assessment Questionnaire.

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

The Executive Leadership 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 Executive Leadership 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 Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the Executive Leadership Team and internal audit and taking account of events since 31 July 2025.

Achievement Training Limited

The College has a subsidiary company Achievement Training Limited (ATL). The Corporation is represented on the Subsidiary Board by Chief Financial Operations Officer. The second director is the Executive of Business Intelligence, Growth and Skills. The Head of Finance undertook company secretarial duties.

Day to day management of the Company is undertaken by a Managing Director, who reports to the College Chief Financial Operations Officer. The Directors hold regular Board meetings and provide at least annual written reports to the College Corporation on performance. The subsidiary is included in the College's internal audit plan and reviewed cyclically based on risk. Regular reporting of performance to the Corporation is affected through monthly management accounts.

Conclusions

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation 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"*.

Approved by order of the members of the Corporation on 15 December 2025 and signed on its behalf by:



Richard Stevens

CHAIR OF GOVERNORS



Jackie Grubb

ACCOUNTING OFFICER

Statement of Regularity, Propriety and Compliance

As Accounting Officer of the Corporation of City College Plymouth, 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 non-compliance 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, funding noncompliance, 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 the DfE.

Signed:

Jackie Grubb
Accounting Officer

15 December 2025

Statement of the Chair of Governors

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

Signed:

Richard Stevens
Chair of Governors

15 December 2025

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Corporation'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 College 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; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

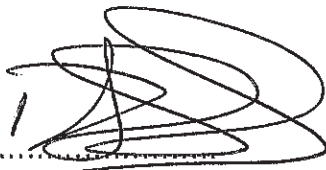
Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the DfE, ESFA, and any other public 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 the 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 15 December 2025 and signed on its behalf by:

Signed:

Richard Stevens
Chair of Governors

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Independent Auditor's Report to the Corporation of City College Plymouth

Opinion

We have audited the financial statements of City College Plymouth (the 'College') and its subsidiary (the 'group') for the year ended 31 July 2025, which comprise the Consolidated and College Statement of Comprehensive Income, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the College's financial position as at 31 July 2025 and of the Group's financial performance and cashflows for the year then ended;
- Have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;
- Have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education;
- Meet the requirements of the current College Accounts Direction issued by the DfE and the OfS Accounts Direction; and
- Meet the requirements in HM Treasury's document, 'Managing Public Money', and other related obligations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that 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 original financial statements were 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 Corporation is responsible for the other information. The other information comprises the information included in the Report of the Governing Body, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information, and we are required to report that fact.

We have nothing to report in this regard.

Report on other legal and regulatory requirements

We are required to report on other matters prescribed by the College Auditor Framework issued by the Department for Education.

We have nothing to report in respect of the following matters in our opinion:

- Proper accounting records have not been kept;
- The financial statements are not in agreement with the accounting records and returns; and
- All information and explanations required for the audit were not received.

We are required to report on the following matters by the current College Accounts Direction issued by the Office for Students:

We have nothing to report in respect of the following matters in our opinion:

- The provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; and
- The provider's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Members of the Corporation of City College Plymouth

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on pages 30-31, the College's Corporation is responsible for the preparation of the financial statements which give a true and fair view and for such internal control as the Members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Members of the Corporation are responsible for assessing the 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 members 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 these financial statements.

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

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the College. We gained an understanding of the industry in which the College operates as part of this assessment to identify the key laws and regulations affecting the College. As part of this, we reviewed the College's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance.

The key regulations we identified were the regulations of the Department for Education (DfE) (and previously the Education & Skills Funding Agency (ESFA)), the Office for Students (OfS) and Ofsted, as well as health and safety regulations, employment law, and breaches of The General Data Protection Regulation (GDPR). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the College Accounts Direction for 2024 to 2025, the College Auditor Framework issued by the DfE and HM Treasury's 'Managing Public Money' document.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the College's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Review of the College's risk register and minutes of Board and Audit Committee meetings for any potential or actual instances of non-compliance;
- Review of the College's GDPR policy and enquiries of the College's compliance officer as to the occurrence and outcome of any reportable breaches;
- Review of Ofsted reports, and inquiries of management of points raised and action plans developed; and
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business; and
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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 audit report.

Use of our report

This report is made solely to the Corporation as a body in accordance with statutory requirements. Our audit work has been undertaken so that we might state to the Corporation as a body 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 Corporation, as a body, for our audit work, for this report, or the opinions we have formed.

PKF Francis Clark

PKF Francis Clark, Statutory Auditor
Unit 18, 23 Melville Building East
Royal William Yard
Stonehouse
Plymouth
PL1 3GW

Date *17th December 2025*

Independent reporting accountant's report on regularity for the Year Ended 31 July 2025 to the Corporation of City College Plymouth and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 1 October 2024 and further to the requirements of the 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 the Corporation of City College Plymouth during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the College Auditor Framework issued by DfE and in any relevant conditions of funding concerning adult education notified by a relevant funder.

This report is made solely to the Corporation of City College Plymouth 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 City College Plymouth and the Secretary of State for Education 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 City College Plymouth 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 the Corporation of City College Plymouth and the reporting accountant

The Corporation of City College Plymouth is responsible, under the requirements of the Corporation's accountability agreement with the Secretary of State for Education and the College Finance Handbook for ensuring that expenditure disbursed and income received is applied for the purpose intended by Parliament and 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. We performed a limited assurance engagement as defined 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 of the College's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures, including the self-assessment questionnaire prepared by City College Plymouth;
- Evaluation of the system of internal controls for authorisation and approval; and
- Performing substantive tests on relevant transactions.

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 to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Francis Clark

PKF Francis Clark
Registered Auditors
Chartered Accountants and Statutory Auditors
Unit 18, 23 Melville Building East
Royal William Yard
Stonehouse
Plymouth
PL1 3GW

Date *17th December 2025*

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
INCOME					
Funding body grants	2	39,051	38,623	34,034	33,440
Tuition fees and education contracts	3	3,240	2,976	3,685	3,411
Other grants and contracts	4	1,077	1,079	1,140	1,140
Other income	5	1,824	1,807	1,631	1,684
Investment income	6	243	400	259	444
Total income		45,435	44,885	40,749	40,119
EXPENDITURE					
Staff costs	7	30,512	28,952	26,406	24,992
Other operating expenses	8	12,324	13,392	11,358	12,139
Depreciation	10,11	2,209	2,111	2,302	2,204
Interest and other finance costs	9	81	81	55	55
Total expenditure		45,126	44,536	40,121	39,390
Surplus/(deficit) before other gains and losses		309	349	628	729
Loss on disposal of fixed assets		-	-	-	-
Surplus/(deficit) for the year		309	349	628	729
Actuarial (loss)/gain in respect of pension schemes	22	(52)	(52)	(114)	(114)
Total comprehensive income for the year		257	297	516	615
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		257	297	516	615
		257	297	516	615

The statement of comprehensive income and expenditure is in respect of continuing activities.

The Group's activities relate solely to the provision of education and training services in the United Kingdom.

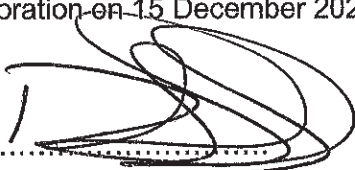
Consolidated and College Statement of Changes in Reserves

	Income and Expenditure Account	Revaluation Reserve	Capital Reserve	Total
	£'000	£'000	£'000	£'000
Group				
Balance at 1 August 2023	14,059	4,143	44	18,246
Deficit from the income and expenditure account	628	-	-	628
Other comprehensive income	(114)	-	-	(114)
Transfers between revaluation and income and expenditure reserves	284	(284)	-	-
	798	(284)	-	514
Balance 31 July 2024	14,857	3,859	44	18,760
Surplus from the income and expenditure account	309	-	-	309
Other comprehensive income	(52)	-	-	(52)
Transfers between revaluation and income and expenditure reserves	284	(284)	-	-
Total comprehensive income for the year	541	(284)	-	257
Balance at 31 July 2025	15,398	3,575	44	19,017
College				
Balance at 1 August 2023	15,021	4,143	44	19,208
Deficit from the income and expenditure account	729	-	-	729
Other comprehensive income	(114)	-	-	(114)
Transfers between revaluation and income and expenditure reserves	284	(284)	-	-
	899	(284)	-	615
Balance 31 July 2024	15,920	3,859	44	19,823
Surplus from the income and expenditure account	349	-	-	349
Other comprehensive income	(52)	-	-	(52)
Transfers between revaluation and income and expenditure reserves	284	(284)	-	-
Total comprehensive income for the year	581	(284)	-	297
Balance at 31 July 2025	16,501	3,575	44	20,120

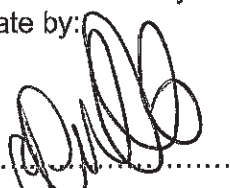
Balance Sheets as at 31 July 2025

	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Non-current assets					
Intangible assets	10	312	51	441	114
Tangible assets	11	31,670	31,620	30,667	30,628
Investments	12	-	1,587	-	1,587
Total non-current assets		31,982	33,258	31,108	32,329
Current assets					
Stock		99	99	74	74
Trade and other receivables	13	2,881	2,854	1,621	1,641
Cash and cash equivalents	18	8,752	8,631	9,005	8,964
Total current assets		11,732	11,584	10,700	10,679
Creditors - amounts falling due within one year	14	(6,739)	(6,765)	(7,972)	(8,109)
Net current assets		4,993	4,819	2,728	2,570
Total assets less current liabilities		36,975	38,077	33,836	34,899
Creditors - amounts falling due after more than one year	15	(17,703)	(17,703)	(14,685)	(14,685)
Provisions:					
Defined benefit obligation	22	-	-	-	-
Other provisions	17	(254)	(254)	(391)	(391)
Total net assets		19,017	20,120	18,760	19,823
Unrestricted reserves					
Income and expenditure account		15,398	16,501	14,857	15,920
Revaluation reserve		3,575	3,575	3,859	3,859
Total unrestricted reserves		18,973	20,076	18,716	19,779
Restricted reserves:					
Capital reserve		44	44	44	44
Total reserves		19,017	20,120	18,760	19,823

The financial statements on pages 38 to 69 were approved and authorised for issue by the Corporation on 15 December 2025 and were signed on its behalf on that date by:



Richard Stevens
CHAIR



Jackie Grubb
ACCOUNTING OFFICER

Consolidated Statement of Cash Flows

	Notes	2025	2024
		£'000	£'000
Cashflow from operating activities			
Surplus/(Deficit) for the year		309	628
Adjustment for non-cash items			
Depreciation		2,080	2,097
Amortisation		129	205
(Increase)/Decrease in stocks		(25)	(13)
(Increase)/Decrease in debtors		(1,026)	(404)
Increase/(Decrease) in creditors due within one year		(1,435)	(2,173)
Increase/(Decrease) in creditors due after one year		(466)	96
Increase/(Decrease) in provisions		(137)	(37)
Pension cost less contributions payable		(52)	(114)
Adjustment for investment or financing activities			
Investment income		(243)	(259)
Interest payable		81	90
Loss on disposal of fixed assets		4	-
Net cash flow from operating activities		(781)	116
Cash flows from investing activities			
Investment income		202	259
Capital grants received		3,606	1,209
Payments made to acquire intangible assets		-	(77)
Payments made to acquire tangible assets		(2,953)	(2,766)
		855	(1,375)
Cash flows from financing activities			
Interest paid		(81)	(90)
Repayments of amounts borrowed		(246)	(239)
		(327)	(329)
(Decrease)/increase in cash and cash equivalents in the year		(253)	(1,588)
Cash and cash equivalents at the beginning of the year	18	9,005	10,593
Cash and cash equivalents at the end of the year	18	8,752	9,005

Notes to the Accounts

Statement of accounting policies and estimation techniques

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

Basis of preparation

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

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Achievement Training Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Uniform accounting policies are adopted across the Group. Under the purchase method of accounting, the results of subsidiary and associate undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2025.

Going concern

The activities of the College Group (being the College and its subsidiary), together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College Group, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College has £2,220,000 of loan outstanding to Plymouth City Council on terms negotiated in 2016. The College's forecasts and financial projections indicate that it will be able to operate within existing facilities for the foreseeable future.

Despite the challenges faced, the College Group delivered an underlying operational performance above budget. On a day-to-day basis, the College proactively manages its cost base and has aligned staffing levels to delivery requirements whilst maintaining high quality teaching, learning and assessment, and student outcomes. The College carefully monitors cashflow and other variables through the monthly management accounts. Plans are monitored regularly by the Board.

Assuming no adverse change to funding levels in Further Education, the Financial Plan which underpins the Strategic Plan indicates a small operational deficit will be the outturn result in 2024/25 and this will be transformed into an operational surplus in 2026/27. There may be challenges in delivering this plan, however these will be closely monitored to mitigate any risks.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved.

Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits.

The recurrent grant from Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital grant funding

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

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment income

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on an accruals basis. Income from ATL is donated via Gift Aid and then eliminated on consolidation. A deed of covenant is in place which states that the company's total taxable profits are distributed to its parent, City College Plymouth, in the form of a gift aid payment.

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

Devon Local Government Pension Scheme (LGPS)

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

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

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

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.

Enhanced Pensions

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

Tangible fixed assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College of 35-40 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 40 years.

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.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 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 £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- General equipment – 15% per annum (6.67 years)
- Furniture, Fixtures and Fittings – 15% per annum (6.67 years)
- Computer equipment/technical equipment – 25% per annum (4 years)
- Vehicles – 25% per annum (4 years)

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

Goodwill

When the cost of an acquisition exceeds the fair value of the net assets acquired, the difference is treated as purchased goodwill and is capitalised and amortised through the Statement of Comprehensive Income and Expenditure over its useful economic life. The estimated economic life of goodwill is 20 years, as retained on transition, being the period over which the College Group expects to benefit from the subsidiaries' reputation and skills. Goodwill is amortised using the straight-line method. Impairment reviews are carried out to ensure that goodwill is not carried above the recoverable amount. Any impairment write down will be charged to the Income and Expenditure account.

Intangible assets

Intangible assets, such as software, are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives of 4 years, using the straight-line method. If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

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

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

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

Investments*Investments in subsidiaries*

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

Other investments

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

Inventories

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

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Loans and investments that are payable or receivable within one year are not discounted.

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 around 1.2% 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's subsidiary company, Achievement Training Limited (ATL), is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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

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

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. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability or surplus 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 22, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value 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 liability.

2 Funding Body Grants

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
<u>Recurrent grants</u>				
Education and Skills Funding Agency - Adult Education budget	10,743	10,315	10,665	10,071
Education and Skills Funding Agency - 16-18	22,781	22,781	19,336	19,336
Office for Students	472	472	513	513
<u>Specific grants</u>				
Capacity Development Fund	-	-	55	55
Teacher Pension Scheme Contribution Grant	1,162	1,162	853	853
Multiplex	-	-	303	303
Maths Centre of Excellence	-	-	13	13
Releases of Government Capital Grants	962	962	968	968
Post 16 and NI grant	446	446	-	-
Local Authority Element 3 Funding	2,485	2,485	1,328	1,328
Total	39,051	38,623	34,034	33,440

2a Office for Students (OfS)

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Grant Income from OfS (direct)	472	472	513	513
Fee income for taught awards (exclusive of VAT)	1,444	1,444	1,850	1,850
Total	1,916	1,916	2,363	2,363

The OfS regulates higher education in colleges. The information in the table above relates to courses at Level 4 and above. The College undertakes HE delivery in partnership with the University of Plymouth and Marjon University. In order to meet the requirements of the OfS Accounts Direction a separate note showing the analysis of HE income is required in the accounts.

3 Tuition fees and education contracts

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Adult education fees	317	274	261	249
Apprenticeship contracts	101	101	57	57
Fees for FE loan supported courses	769	606	771	594
Fees for HE loan supported courses	1,444	1,444	1,850	1,850
International students' fees	528	528	623	623
Total tuition fees	3,159	2,953	3,562	3,373
Education contracts	81	23	123	38
Total	3,240	2,976	3,685	3,411

4 Other grants and contracts

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
European Commission	92	92	135	135
Other UK grants and contracts	941	943	993	993
Non-government capital grants	44	44	12	12
Total	1,077	1,079	1,140	1,140

5 Other income

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Training income	160	160	76	76
Lettings/hire	81	81	79	79
Exam fees	10	10	15	15
Bus passes	257	257	175	175
Consultancy and other services income	275	258	22	99
Catering	908	908	1,055	1,055
Other	133	133	209	185
Total	1,824	1,807	1,631	1,684

6 Investment income

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	202	202	259	259
Net interest on defined pension liability (note 22)	41	41	-	-
Investment income - Gift Aid	-	157	-	185
Total	243	400	259	444

7 Staff costs

The average number of persons (including key management personnel) employed by the Group and College during the year was:

	2025 Group No.	2025 College No.	2024 Group No.	2024 College No.
Teaching staff	520	478	470	426
Non-teaching staff	286	264	289	267
Total	806	742	759	693

Staff costs for the above persons

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Wages and salaries	22,335	20,918	19,464	18,178
Social security costs	2,413	2,300	1,832	1,735
Other pension costs	4,516	4,486	3,689	3,658
Payroll sub total	29,264	27,704	24,985	23,571
Contracted out staffing services	1,315	1,315	1,421	1,421
	30,579	29,019	26,406	24,992
Staff restructuring - contractual	(67)	(67)	-	-
Total staff costs	30,512	28,952	26,406	24,992

The Corporation does not have any salary sacrifice arrangements in place.

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 Executive Leadership Team, which comprises the Chief Executive and Principal, Chief Financial Operations Officer, Executive of Curriculum, Quality & Student Experience, Interim Executive of Curriculum, Quality and Student Experience, Executive of Technical Innovation, Executive of Health Leisure and Protective Services, Executive of Business Intelligence, Growth and Skills, Executive of Assets and Estates.

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:	8	6

The number of key management personnel (all included) and other staff (over £60,000 only) who received annual emoluments, excluding employer contributions to national insurance and pensions but including benefits in kind, in the following ranges was:

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£20,001 to £25,000	1	-	-	-
£45,001 to £50,000	1	-	-	-
£60,001 to £65,000	-	-	2	2
£65,001 to £70,000	-	1	-	-
£70,001 to £75,000	3	2	-	-
£75,001 to £80,000	-	-	-	-
£80,001 to £85,000	-	-	-	-
£85,001 to £90,000	-	1	-	-
£90,001 to £95,000	1	1	-	-
£95,001 to £100,000	1	-	-	-
£100,001 to £105,000	-	-	-	-
£105,001 to £110,000	-	-	-	-
£110,001 to £115,000	-	-	-	-
£115,001 to £120,000	-	-	-	-
£120,001 to £125,000	-	-	-	-
£125,001 to £130,000	-	-	-	-
£130,001 to £135,000	-	-	-	-
£135,001 to £140,000	-	-	-	-
£140,001 to £145,000	-	-	-	-
£145,001 to £150,000	-	-	-	-
£150,001 to £155,000	-	-	-	-
£155,001 to £160,000	-	-	-	-
£160,001 to £165,000	-	-	-	-
£165,001 to £170,000	-	1	-	-
£170,001 to £175,000	1	-	-	-
	8	6	2	2

Key management personnel includes staff who left part way through the year at the amount they were paid in the year.

Key management personnel compensation is made up as follows:

	2025 £'000	2024 £'000
Basic salary	647	553
Other benefits in kind	2	2
Pension contributions	87	121
Total key management personnel compensation	736	676

The above compensation includes amounts payable to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration are as follows:

Principal and Chief Executive

	2025 £'000	2024 £'000
Basic salary	165	165
Non-consolidated pay award	4	-
Other benefits in kind	1	1
Pension contributions	47	40
	218	206

The governing body has adopted Association of Colleges (AoC) Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles.

The remuneration package of the Principal and Chief Executive is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance, including an assessment of value and performance delivered.

The Principal and Chief Executive reports to the Chair of Board of Governors, who undertakes an annual review of her performance against the College's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Chief Executive/Principal pay and remuneration expressed as a multiple

	2025	2024
Principal and CEO's basic salary as a multiple of the median of all staff	5.54	5.54
Principal and CEO's total remuneration as a multiple of the median of all staff	5.59	5.59

Compensation for loss of office paid to former key management personnel

	2025 £'000	2024 £'000
Compensation paid to the former post-holder	21	-
	21	-

The severance payment was approved by the College's Remuneration Committee.

The members of the Corporation other than the Accounting Officer and the staff 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.

Overseas activities

The following costs were incurred during 2024/25 in respect of overseas activities which were carried out in accordance with the strategy approved by the Governing Body.

	Total cost	Contribution received	Net cost to College
2024/25	£'000	£'000	£'000
Members	-	-	-
Senior postholders	-	-	-
Other staff	40	-	40
Total	40	-	40

	Total cost	Contribution received	Net cost to College
2023/24	£'000	£'000	£'000
Members	-	-	-
Senior postholders	-	-	-
Other staff	68	-	68
Total	68	-	68

8 Other operating expenses

	2025 Group	2025 College	2024 Group	2024 College
	£'000	£'000	£'000	£'000
Teaching costs	2,520	2,442	2,300	2,202
Non-teaching costs	6,372	6,108	5,850	5,577
Premises costs	2,969	2,757	2,991	2,721
Franchised provision	463	2,085	217	1,639
Total	12,324	13,392	11,358	12,139

Other operating expenses include:

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Auditor's remuneration:				
Financial statements audit	47	36	47	37
Other services provided by financial statements auditor	18	13	23	19
Internal audit fees	32	32	32	27
Hire of plant and machinery - operating leases	282	164	185	176
Hire of other assets - operating leases	129	129	149	149

8a Access and participation spending – Group and College

	2025 £'000	2024 £'000
Access investment	51	42
Financial support to students (bursaries)	15	21
Support for disabled students	105	101
Research and evaluation	28	16
	199	180

9 Interest and other finance costs – Group and College

	2025 £'000	2024 £'000
On bank loans, overdrafts and other loans	81	90
Net interest on defined pension liability (note 22)	-	(35)
Total	81	55

10 Intangible assets (Group)

	Goodwill £'000	Software £'000	Total £'000
Cost or valuation			
At 1 August 2024	1,371	989	2,360
Additions	-	-	-
Disposals	-	-	-
At 31 July 2025	1,371	989	2,360
Accumulated amortisation			
At 1 August 2024	1,044	875	1,919
Charge for year	66	63	129
Elimination in respect of disposals	-	-	-
At 31 July 2025	1,110	938	2,048
Net book value at 31 July 2025	261	51	312
Net book value at 31 July 2024	327	114	441

Intangible assets (College)

	Goodwill £'000	Software £'000	Total £'000
Cost or valuation			
At 1 August 2024	54	989	1,043
Additions	-	-	-
Disposals	-	-	-
At 31 July 2025	54	989	1,043
Accumulated amortization			
At 1 August 2024	54	875	929
Charge for year	-	63	63
Elimination in respect of disposals	-	-	-
At 31 July 2025	54	938	992
Net book value at 31 July 2025	-	51	51
Net book value at 31 July 2024	-	114	114

11 Tangible assets (Group)

	Land and Buildings				
	Freehold	Long Leasehold	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2024	42,888	1,041	11,563	1,098	56,590
Additions	1,869	-	984	-	2,853
Construction in progress	-	-	-	236	236
Transfer	1,114	-	(16)	(1,098)	-
Disposals	(8)	-	-	-	(8)
At 31 July 2025	45,863	1,041	12,351	236	59,671
Accumulated depreciation					
At 1 August 2024	16,168	298	9,459	-	25,925
Charge for year	1,161	47	872	-	2,080
Elimination in respect of disposals	(4)	-	-	-	(4)
At 31 July 2025	17,325	345	10,331	-	28,001
Net book value at 31 July 2025	28,538	696	2,200	236	31,670
Net book value at 31 July 2024	26,720	743	2,104	1,098	30,665

Tangible assets (College)

	Land and Buildings				
	Freehold	Long Leasehold	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2024	42,888	1,041	11,164	1,098	56,191
Additions	1,869	-	939	-	2,808
Construction in progress	-	-	-	236	236
Transfer	1,114	-	(16)	(1,098)	-
Disposals	(8)	-	-	-	(8)
At 31 July 2025	45,863	1,041	12,087	236	59,227
Accumulated depreciation					
At 1 August 2024	16,168	298	9,097	-	25,563
Charge for year	1,161	47	840	-	2,048
Elimination in respect of disposals	(4)	-	-	-	(4)
At 31 July 2025	17,325	345	9,937	-	27,607
Net book value at 31 July 2025	28,538	696	2,150	236	31,620
Net book value at 31 July 2024	26,720	743	2,067	1,089	30,628

Land and buildings were valued at depreciated replacement cost on 31 July 1998 by N.J. Holman F.R.I.C.S. of Vickery Holman Limited.

If inherited land and buildings had not been revalued before being deemed as cost on transition they would have been included at nil value.

Land and buildings with a net book value of £3,575,000 (2023/24: £3,858,000) have been funded from Local Education Authority sources. Should these assets be sold, the College would either have to surrender the sale proceeds to the Department for Education (DfE) or use them in accordance with the financial memorandum with the DfE.

The College acquired the Head lease of PTCI House at a market value of £209,000. The lease term is for a period of 99 years from 29 September 1961.

12 Non-current investments

	2025 College £'000	2024 College £'000
Investments in subsidiary company	1,587	1,587

The College owns 100 per cent of the issued ordinary £1 shares of Achievement Training Limited, a company incorporated in England and Wales. The principal business activity of Achievement Training Limited is carrying out education and training in the Plymouth travel to work area.

The Corporation believes that the carrying value of the investments is supported by their underlying net assets.

13 Trade and other receivables

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Amounts falling due within one year:				
Trade receivables	1,106	1,088	132	130
Amounts owed by group undertakings:				
Subsidiary undertakings	-	157	-	224
Other debtors	9	-	-	-
Prepayments and accrued income	1,010	853	864	662
Amounts owed by EFSA	756	756	625	625
Total	2,881	2,854	1,621	1,641

14 Creditors – amounts falling due within one year

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans and overdraft	263	263	255	255
Payments received in advance	611	611	865	865
Trade payables	560	505	800	707
Amounts owed to group undertakings:				
Subsidiary undertakings	-	208	-	361
Other taxation and social security	1,465	1,451	947	911
Accruals	996	908	1,980	1,927
Holiday pay accrual	819	801	870	835
Other creditors	143	136	7	-
Deferred income - government capital grants	919	919	968	968
Deferred income - revenue grants	4	4	4	4
Amounts owed to DfE	959	959	1,276	1,276
Total	6,739	6,765	7,972	8,109

15 Creditors – amounts falling due after more than one year

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,958	1,958	2,213	2,213
Amounts owed to DfE	1,639	1,639	-	-
Deferred income - government capital grants	14,106	14,106	12,472	12,472
Total	17,703	17,703	14,685	14,685

16 Maturity of debt

Bank loans and overdrafts are repayable as follows:

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
In one year or less	263	263	255	255
Between one and two years	265	265	256	256
Between two and five years	854	854	824	824
In more than five years	838	838	1,133	1,133
Total	2,220	2,220	2,468	2,468

The Group and the College have a Term Loan of £2,220,000 outstanding with Plymouth City Council, repayable by instalments between 30 April 2018 and 31 March 2033. The loan is secured on the freehold land and buildings of the College's Kings Road site. Interest on the term loan is charged at a fixed rate of 3.5%.

The table showing the maturity of debt also includes accrued interest on the loan named above.

17 Provisions and liabilities (Group and College)

	Defined benefit obligations £'000	Restructuring £'000	Enhanced pensions £'000	Total £'000
At 1 August 2024	-	89	302	391
Expenditure in the year	(1,564)	(89)	(48)	(1,701)
(Reductions)/additions in period	1,564	-	-	1,564
At 31 July 2025	-	-	254	254

Defined benefit obligations

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 22.

Restructuring

None.

Enhanced pensions

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for re-organisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2025 %	2024 %
Interest rate	5.5	4.8
Inflation rate (CPI)	2.7	2.8

18 Cash and cash equivalents (Group)

	At 1 August 2024 £'000	Cash flows £'000	At 31 July 2025 £'000
Cash and cash equivalents	9,005	-253	8,752
Total	9,005	-253	8,752

19 Capital and other commitments

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Commitments contracted for at 31 July	1,789	1,789	1,678	1,663

20 Contingent liability

The College is not aware of any significant contingent liabilities.

21 Lease obligations

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

Future minimum lease payments due	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Land and buildings				
Not later than one year	115	60	115	60
Later than one year and not later than five years	242	242	242	242
Later than five years	680	680	741	741
	1,037	983	1,098	1,043
Other				
Not later than one year	160	151	168	159
Later than one year and not later than five years	274	263	240	220
Later than five years	-	-	-	-
	434	414	408	379
Total lease payments due	1,471	1,396	1,506	1,422

22 Defined benefit obligations

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

The 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.

Total pension cost for the year	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Teachers' Pension Scheme: contributions paid		2,926		2,398
Local Government Pension Scheme:				
Contributions paid (inc. strain)	1,613		1,365	
FRS 102 (28) charge	<u>(49)</u>		<u>(112)</u>	
Charge to the Statement of Comprehensive Income (note 17)		1,564		1,253
Achievement Training Limited Defined Contribution scheme: contributions paid		30		31
Strain accrual		44		(37)
Enhanced pension credit to Statement of Comprehensive Income (note 17)		<u>(48)</u>		<u>3</u>
Total pension cost for year within staff costs		<u>4,516</u>		<u>3,648</u>

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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 Regulations. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

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

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

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024.

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

The pension costs paid to TPS in the year amounted to £2,926,000 (2024L: £2,398,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Devon County Council. The total contribution made for the year ended 31 July 2025 was £2,134,000, of which employer's contributions totalled £1,613,000 (including strain payments) and employees' contributions totalled £521,000. The agreed contribution rates for future years are 18.8% and range from 5.5% to 12.5% for employees depending on salary according to a national scale.

LGPS surplus position

As at 31 July 2025, the actuarial valuation for the College includes a surplus totalling £10,885,000 (2024: £3,473,000). This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rates which contributed to the closing surplus position. There is no specific guidance in FRS 102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the College, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the College, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g. to 1% of pay per year. This suggests minimum funding requirements are applicable to the College as determined by IAS19. When actuary asset ceiling calculations assume that minimum funding requirements exist, they provide an asset ceiling value of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

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 a qualified independent actuary.

	At 31 July 2025	At 31 July 2024
	%	%
Rate of increase in salaries	3.80	3.90
Rate of increase for pensions in payment	2.80	2.90
Discount rate for scheme liabilities	5.75	5.05
Commutation of pensions to lump sums	50	50

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 Years	At 31 July 2024 Years
Retiring today		
Males	21.7	21.4
Females	22.7	22.6
Retiring in 20 years		
Males	23.0	22.7
Females	24.2	24.1
Sensitivity analysis	£'000	£'000
Projected service cost:		
Discount rate +0.5%	1,197	1,137
Discount rate +0.1%	1,385	1,311
Discount rate -0.1%	1,488	1,407
Discount rate -0.1%	1,717	1,621
Mortality assumption – 1 year increase	1,483	1,404
Mortality assumption – 1 year decrease	1,389	1,313
Long term salary increases +0.5%	1,436	1,358
Long term salary increases +0.1%	1,436	1,358
Long term salary increases -0.1%	1,436	1,358
Long term salary increases -0.5%	1,436	1,358
Pension increases and deferred revaluation +0.5%	1,728	1,629
Pension increases and deferred revaluation +0.1%	1,490	1,409
Pension increases and deferred revaluation -0.1%	1,383	1,309
Pension increases and deferred revaluation -0.5%	1,187	1,129

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

	Fair Value at 31 July 2025 £'000	Fair Value at 31 July 2024 £'000
Gilts	2,341	(2)
UK equities	1,260	822
Overseas equities	28,229	27,424
Property	4,404	3,874
Infrastructure	5,602	5,380
Target return portfolio	-	1,200
Cash	1,335	1,274
Other bonds	12,962	11,998
Alternative assets	(14)	8
Total fair value of plan assets	56,119	51,978

Weighted average expected long term rate of return **7.26%**

Actual return on plan assets **3,788**

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

	2025 £'000	2024 £'000
Fair value of plan assets	56,119	51,978
Present value of plan liabilities	(45,234)	(48,505)
Net defined benefit liability	10,885	3,473
Impact of asset ceiling	(10,885)	(3,473)
Net defined benefit liability (note 17)	-	-

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

	2025 £'000	2024 £'000
Amount included in staff costs		
Service cost	1,564	1,253
Amount included in operating expenses		
Administrative expenses	38	33
Amount included in interest payable		
Net interest on defined liabilities	(41)	(35)

Amount recognised in Other Comprehensive Income	2025	2024
	£'000	£'000
Return on pension plan assets	1,153	2,575
Other actuarial (losses)/gains on assets	-	-
Change in financial assumptions	6,739	(1,231)
Change in demographic assumptions	(249)	107
Experience (loss)/gain on defined benefit obligations	(458)	240
Changes in effect of asset ceiling	(7,237)	(1,805)
Amount recognised in Other Comprehensive Income	(52)	(114)

Movement in net defined benefit asset/(liability) during year

	2025	2024
	£'000	£'000
Net defined benefit asset/(liability) in scheme at 1 August	3,473	1,586
Movement in year:		
Service cost	1,564	(1,253)
Administrative expenses	(38)	(33)
Employer contributions	1,613	1,365
Net interest on the defined liability	41	35
Actuarial gain	4,232	1,773
Net defined benefit asset/(liability) at 31 July	10,885	3,473

Asset and liability reconciliation**Changes in the present value of defined benefit obligations**

	2025	2024
	£'000	£'000
Defined benefit obligations at start of period	48,505	45,410
Current service cost	1,564	1,253
Interest cost	2,419	2,304
Contributions by scheme participants	521	445
Change in financial and demographic assumptions	(6,739)	1,231
Change in demographic assumptions	249	(107)
Experience losses arising on defined benefit obligations	458	(240)
Estimated benefits paid net of transfers in	(1,743)	(1,791)
Past services costs, including curtailments	-	-
Defined benefit obligations at end of period	45,234	48,505

Changes in fair value of plan assets

	2025	2024
	£'000	£'000
Fair value of plan assets at start of period	51,978	46,996
Interest on plan assets	2,635	2,421
Return on plan assets	1,153	2,575
Administration expenses	(38)	(33)
Contributions by employer	1,613	1,365
Contributions by scheme participants	521	445
Estimated benefits paid net of transfers in	(1,743)	(1,791)
Other actuarial losses	-	-
Fair value of plan assets at end of period	56,119	51,978

The estimated value of employer contributions for the year ended 31 July 2026 is £1,959,000.

23 Related party transactions

Due to the nature of the College's operations and the composition of the Corporation being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors (including specialist non-Governors serving on the Audit Committee) during the year 2024/25 was £5,337; 3 governors (2023/24: £1,119; 1 governor). Governor expenses represent travel and subsistence expenses and other out of pocket expenses incurred in attending Governor Meetings (including regional meetings by the chair) and charity events in their official capacity.

No Governor has received any remuneration or waived payment from College subsidiaries during the year (2024: none).

Transactions with the funding bodies and HEFCE are detailed in notes 2, 3 and 14.

Achievement Training Limited – Ben Manning resigned as a Director in February 2025. Lorraine Hill is a Director. Paul Fanshawe is a Director (from February 2025). Expenditure totalling £1,622,000 (2024: £1,381,000) was incurred in year, relating to the Adult Skills, 16-18 study programmes. At the year end, there was £157,000 (2024: £224,000) debtor balance outstanding. Income of £195,000 (2024: £262,000) was received in respect of gift aid and cross charges. At the year end, there was £208,000 (2024: £361,000) creditor balance outstanding.

Devon and Plymouth Chamber of Commerce – Richard Stevens, Chair of Corporation, is the Chair for the Devon and Plymouth Chamber of Commerce

Expenditure totalling £11,520 (2024: £12,644) relating to patronage and advertising/networking. Income of £Nil was received in the year (2024: £2,704). No balances were outstanding at year end.

Plymouth City Council – Amanda Ratsey is Head of Economy Enterprise & Employment.

Transactions routinely occur between the College and the local council. As such, we review, consider and report on non-routine transactions only. There have been no non-routine transactions in the year requiring disclosure.

Plymouth Citybus Ltd – Richard Stevens, Chair of Corporation, is also Managing Director of Plymouth Citybus Ltd.

Expenditure totalling £453,979 relating to bus services was incurred during the year (2024: £364,966) and sales of £1,700 (2024: £nil). There was £nil payable (2024: £450) outstanding at year end.

Bailey Partnership – Charles Talbot has a related party interest in Bailey Partnership.

Purchases totalled £1,000 (2024: £500) and sales of £7,400 (2024: £6,283) in the year. No balances outstanding at year end.

Destination Plymouth - Richard Stevens, Chair of Corporation, is also Director of Destination Plymouth.

There was no expenditure in year (2024: £1,200) with a £nil balance outstanding at year end.

Plymouth Area Business Council – Jackie Grubb, Principal and CEO, has a related party interest in Plymouth Area Business Council.

Expenditure totalling £nil (2024: £144) was incurred in year. At the year-end there were no outstanding payments.

Livewell South West – Sam Peach has a related party interest with Livewell.

Sales totalling £400 (2024: £2,045) was received during the year. Purchases during the year totalled £41,075 (2024: £1,195). Purchases related mainly to working with partner agency for the Shared Prosperity Fund. This included engaging in work experience and placement opportunities.

CIPD – Laura Sadler has a related party interest with CIPD.

Expenditure totalling £7,040 (2024: £6,033) with £1,540 outstanding at year end (2024: £1,874). No sales income in year.

Mount Batten Centre Charity Trust – Richard Stevens, Chair of Corporation, is the Chair of the charity.

Purchases of £nil were made during the year (2024: £3,100) with no balance outstanding at year end.

Maritime UK – Gary Shattock has a related party interest with Maritime UK.

Purchases of £3,600 (2024: £nil) were made during the year with no balance outstanding at year end.

Ministry of Defence – Gary Shattock has a related party interest with Ministry of Defence

Purchases of £1,500 (2024: £nil) were made during the year, and sales of £53,500 (2024: £nil). No balances outstanding at year end. Sales in year related to tuition fees for HE engineering. These were new in 2025.

The Zone – Amanda Ratsey has a related party interest with The Zone.

Purchases of £200 (2024: £nil) were made during the year with no balance outstanding at year end.

Tulgey Woods Sanctuary CIC – Justine Hardie has a related party interest with Tulgey Woods Sanctuary CIC.

Purchases of £400 (2024: £nil) were made during the year with no outstanding balance at year end.

24 Amounts disbursed as agent – learner support fund

	2025	2024
	£'000	£'000
Brought forward funds	809	572
16-18 bursary grants	713	625
Free school meals	135	139
Vulnerable bursaries	38	55
Other funding body grants – advanced learner loan bursary	107	259
	993	1,078
Disbursed to students	(861)	(807)
Administration costs	(46)	(34)
	(907)	(841)
Balance unspent as at 31 July 2024 and not clawed back	-	809
Balance unspent as at 31 July 2025 included in creditors	895	-

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

The College distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE.

In the accounting period ended 31 July 2025, the College received a total of £885,933 and disbursed £820,756 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £42,409 for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £578,545, of which £nil relates to funds that are in scope to be returned to DfE in March 2026. Comparatives for the accounting period ended 31 July 2024 are £824,922 received from DfE, £720,190 disbursed to learners after charging £28,575 for administration costs, and total cumulative unspent funds of £nil, of which £nil was repaid to DfE.

25 Corporation Tax

The members do not believe that the College was liable for any corporation tax arising out of its activities during either year. There was £Nil tax charge in its trading subsidiary company (2024: £Nil).

26 Events after the reporting period

There are no events after the reporting period.