



Key management personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2024-25:

Mr. Stephen Davis	Chief Executive Officer and Group Principal, and Accounting Officer
Mrs. Amanda Thorneycroft	Chief Financial Officer

Director of Governance

Miss. Zoë Lawrence

Board of Governors

A full list of Governors is given on pages 19 to 20 of these financial statements.

Principal and Registered Office

25 Paddington Green
London
W2 1NB

Professional advisers

Financial statements and regularity auditor

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Internal auditors

Scrutton Bland LLP
Fitzroy House, Crown Street
Ipswich, Suffolk
IP1 3LG

Bankers

NatWest Bank PLC
Kilburn High Road (B) Branch
127 Kilburn High Road
London
NW6 6JL

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Addleshaw Goddard LLP
60 Chiswell Street
London
EC1Y 4AG

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Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES:

The members of the Corporation present their report together with the audited financial statements for the year ended 31 July 2025.

Legal status

The Corporation was established under The Further and Higher Education Act 1992. The College is an exempt charity for the purpose of Part 3 of the Charities Act 2011.

United Colleges Group was formed from the merger of City of Westminster College and the College of North West London on 1 August 2017. It is a single legal entity and throughout this report will be referred to as the 'College' unless otherwise stated. The brands of City of Westminster College and College of North West London continue to be used, as these are recognised in their respective localities.

The College has a wholly owned subsidiary called CWC Enterprises Limited. The company is limited by shares and is registered in England and Wales (Company Registration Number 0292440). Its principal activity is letting facilities and ancillary services. Throughout this report the College and subsidiary combined will be referred to as the 'Group' unless otherwise stated.

Purpose

The College's purpose, as approved by the Corporation Members, is:

"Ensure inclusive and equitable quality education and promote lifelong learning opportunities"

Values

The core values that are important to the College's students, staff and partners are:

Inclusion and belonging

The College embraces diversity and takes pro-active steps to be inclusive.

Mutual trust and respect

The Colleges communicates openly and transparently and assumes positive intent.

Putting students first

The College puts students first in everything it does.

Always improving

The College embraces a mindset of perpetual growth, seeking constant improvements in processes, education, and personal development of peers and students.

Compassion and empathy

The College cares about its students, staff and partners, their wellbeing and development, and actively seeks to understand and validate the feelings of others.

Report of the Governing Body (continued)**Public Benefit**

United Colleges Group is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on pages 19 to 20.

In accordance with the Further Education Code of Good Governance, and the Charity Commission's guidance, being accountable to learners, to the wider community it serves, and to wider stakeholders, the United Colleges Group's Public Values Statement sets out how it fulfils this public benefit responsibility.

Strategic aims

The purpose of the College is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. This purpose is supported by the College's values and principles. These values and associated principles are there to support a culture that facilitates the delivery of the College's strategic aims. There are three strategic aims, and these are outlined below:

- The College will provide an outstanding student experience aligned with high quality outcomes delivered in best-in-class facilities for the digital age;
- The College will be known for its people first culture that is inclusive, fair and responsive;
- The College will ensure that its future is secure through efficient and effective use of resources.

The College's provision shows clear intent that is aligned to the world of work as well as offering progression to further levels of education and training. The College's focus continues to impact the communities it serves in London and is supported by employer links which are extensive and include working alongside public and private sector stakeholders. Employer links include the Chartered Institute of Building Service Engineers, Construction Youth Trust, NHS North Central London Integrated Care Board, Microsoft, Goldsmiths, Fujitsu and Lenovo to name a select few. The College continues to look forward to the future demands of students with a focus on enabling specialisms, skills development, digital transformation, sustainability and working with key strategic partners to deliver public value.

In doing so the College is always improving and its work is underpinned by four key areas of strategic focus, which include:

- Enhancing student experience and outcomes;
- Our people, culture and growth;
- Fit for future assets;
- Robust financial health and governance.

Under 'robust financial health and governance' and 'fit for future assets', the College measures itself against several financial objectives. Progress against these objectives has been monitored by Governors throughout the year and progress can be summarised as follows:

- a) Generate surpluses.

The College generated an operating surplus of £1,496,000 (2023-24 operating deficit £687,000) and a positive operational cash flow of £2,579,000 (2023-24 £2,979,000).

The positive cash flow was used to service debt and make significant capital investments in both College IT infrastructure and the College's Wembley Park Campus redevelopment project.

Report of the Governing Body (continued)

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Surplus / (deficit) for the year	1,311	1,075	(861)	(1,185)
FRS 102 pension adjustments				
- Staff costs	286	286	298	298
- Interest payable	(101)	(101)	(124)	(124)
Operating surplus / (deficit) for the year	1,496	1,260	(687)	(1,011)

b) Diversify and grow income.

The College earns commercial income through its subsidiary, CWC Enterprises Limited, from activities such as College lettings and the operation of its Cockpit Theatre on Gateforth Street. Other commercial income is earned through the delivery of some full cost recovery courses. Income from lettings and the Cockpit Theatre, was £648,000 in 2024-25 (2023-24 £869,000).

c) To establish new strategic partnerships.

UCG continues to build on the 'Flagship College' status awarded by Microsoft. In addition, close relationships are maintained with the Local Authorities where the College operates, with Westminster, Brent and Camden taking an active part in supporting UCG projects.

d) To further develop systems and infrastructure to ensure that maximum resource is focused on offering the best possible service to all our students and staff.

The College continues to invest heavily in its IT infrastructure in line with its approved IT Strategy. During 2023-24 the College invested £4.598m in equipment, including £1.356m on grant funded T-Level equipment. In 2024-25 a further £2.528m was incurred against capital equipment.

e) Prioritise a programme of Capital Development.

The College is progressing an ambitious property strategy which will bring all College campuses up to a high quality, modern standard. The College is in the process of selling its existing Wembley and Willesden Green campuses and replacing these with a new campus in Wembley Park. In 2021-22 the College purchased the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU for £20.35m which will be demolished and replaced with a new £175m campus. In addition to buying the site, a further £13.506m has been spent, bringing total spend on the Wembley Park redevelopment project to £33.856m as at 31 July 2025.

Performance indicators

The College is committed to benchmarking against other comparable colleges in the sector as well as using nationally available data from the Department for Education.

In July 2025, the College submitted its annual College Financial Forecast Return (CFFR) to the DfE. This provided a view of the outturn of 2024-25 and the budget for 2025-26. The College's Financial Health grading based on this return was "Requires Improvement" for 2024-25 and 2026-27. This health grading is impacted by the College securing an £8.35m loan with the Department for Education (DfE) on 28 July 2023. The DfE loan replaced an existing and unutilised rolling credit facility (RCF) the College had secured with Barclays Bank Plc to cover the College's investment in its Wembley Park redevelopment project.

Report of the Governing Body (continued)

The DfE loan replacement of the RCF was an Office for National Statistics (ONS) reclassification requirement, which brought FE Colleges in England and Wales back into the public sector on 29 November 2022. However, the greater than anticipated outturn for 2024-25 has elevated the College's health grading to "Good".

In addition, the Corporation has additional targets for the College which are monitored during the year.

FINANCIAL POSITION:**Financial results**

The Group (the College and its subsidiary CWC Enterprises Limited) generated a surplus before other gains and losses of £1,311,000 for the year (2023-24 deficit £861,000), with a total comprehensive surplus of £1,598,000 (2023-24 deficit £752,000). Before exceptional items (i.e. pension and disposal of asset adjustments) the Group made an operating surplus of £1,496,000 (2023-24 loss £687,000).

At 31 July 2025, the Group had positive accumulated income and expenditure reserves of £46.818m compared with £44.773m at 31 July 2024 (excluding the LGPS defined benefit pension scheme obligations).

Tangible fixed asset additions during the year amounted to £4.736m, which consisted of £1.004m relating to the redevelopment of the College's Wembley Park Campus redevelopment project, and £2.528m in equipment purchases across the College.

The College has significant reliance on the education sector funding bodies for its principal funding sources, largely from recurrent grants. In 2024-25, the funding bodies provided 94% of the College's total income (2023-24 93%).

The College has a wholly owned subsidiary company, CWC Enterprises Limited. The principal activities of CWC Enterprises Limited are the management of the College's lettings revenues and the running of commercial activities of the College's Cockpit Theatre. In the current year CWC Enterprises Limited generated a surplus of £236,000 (2023-24 a surplus of £323,000).

Staff restructuring

The College continues to respond to changing Government funding by achieving best use of its teaching and support service delivery. This year rationalisation and efficiencies resulted in the loss of six staff and redundancy costs amounting to £64,000 (2023-24 loss of seven staff at a cost of £312,000).

Treasury policies and objectives

Treasury management is the management of the College's cashflows, 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 working capital purposes is authorised by the CEO and Group Principal. All other borrowing requires the approval of the Corporation and complies with the requirements of the Financial Memorandum.

Cash flows

The operating cash inflow for the Group at £2.579m for the year (2023-24 £2.979m) was strong. Major cash outflows consisted of the servicing of the College's long-term loans and capital expenditure on the College's Wembley Park Campus redevelopment.

Report of the Governing Body (continued)**Liquidity**

At the end of the year the College had the following loans in place secured against its Paddington Green Campus:

- £16m long term loan repayable over 25 years. The balance on this loan at 31 July 2025 was £8.922m.
- £7.5m long term loan repayable over 24 years. The balance on this loan at 31 July 2025 was £3.418m.
- £1.5m long term loan repayable over 24 years. The balance on this loan at 31 July 2025 was £646,000.

On the 22 December 2021, the College negotiated a rolling credit facility of £8.35m with Barclays Bank PLC. This facility was secured to bolster working capital as the College continues to invest its surplus cash on the Wembley Park redevelopment project. On 28 July 2023 the College replaced this facility with a loan of equivalent value from the Department for Education (DfE). This new loan is secured against the College's Willesden Green Campus located at Denzil Road (off Dudden Hill Lane), London, NW10 2XD. The balance on this loan at 31 July 2025 was £6.680m.

All borrowings have been authorised by the Corporation and were agreed by the LSC, DfE or ESFA where appropriate, and are in accordance with the requirements of the ESFA Financial Memorandum.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow.

Public ownership

On 29 November 2022, following a decision by the Office for National Statistics (ONS), all further education providers as defined under section 91(3) of the Further and Higher Education Act 1992, were reclassified into the central government sector.

Following this reclassification, the College and its subsidiary are now part of central government. The College continues to be a self-governing charity regulated by the Secretary of State for Education but is now subject to the framework for financial management as set out in HM Treasury's Managing Public Money.

Reclassification to the government sector means there are new requirements for the College relating to financial management oversight. However, the DfE has recognised the importance that colleges maintain autonomy over financial planning and this is expected to continue. The College is free to carry forward unspent surpluses from one year to the next thereby giving the College maximum flexibility for its longer-term plans.

Reserves

Whilst in the long term the College has the aim of strengthening its income and expenditure reserves, the short-term strategy of managed growth involves investment ahead of income due to the lagged learner effect of DfE funding. As at 31 July 2025 the College has an accumulated surplus of £46.818m in its income and expenditure account.

Going concern

The College's financial projections for 2025-26 and beyond, indicate that it will be able to generate operational surpluses and operate within its existing available bank facilities. For 2025-26 the College has prepared a surplus budget.

Report of the Governing Body (continued)

As at 31 July 2025 the College had cash and cash equivalents of £11.035m. £6.680m of this balance relates to a DfE loan entered into on 28 July 2023.

Given the above and the ongoing support of the DfE, the Corporation believes the College will be able to continue in operation, and meet its liabilities as they fall due, for a period well beyond 12 months from the date of approval of these accounts.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE:

Once again, the College continues to improve its core business, with many of its key performance indicators, including those attributable to the enhancement of the student experience and outcomes, as laid out in its balanced scorecard, showing positive movement. The College continues to work hard on improving achievement in English and mathematics qualifications for all ages, although there is further work to do. The apprenticeship provision also continues to grow, showing strong demand with an improving quality from previous years.

In 2024-25 the College commissioned a report by London Economics that identified the College's impact. This showed the College has a significant impact, both economically and socially, with every £1 of grant funding contributing around £9.30 to the wider economy of the United Kingdom. This is significantly higher than many other public sector organisations and, when coupled with over 90% positive destinations, points to the progress the College has made.

Learner Numbers

In 2024-25 the College had 3,510 16-18 learners against an allocation of 3,625. The College also recruited 8,491 funded adult learners and 95 students on HE programs. In addition to this, 482 apprentices were enrolled. The total number of students qualifying for Element 2 High Needs funding was 345.

Learner Achievement

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
All qualifications	84.5%	84.1%	80.8%	79.3%	79.6%	83.2%	85.9%
16 - 18	76.0%	80.1%	75.0%	69.6%	70.7%	75.6%	78.5%
19+	88.6%	86.2%	83.1%	82.4%	83.0%	86.7%	89.2%

Curriculum Developments

The College had a full Ofsted Inspection in December 2024, where the College was awarded a grade 2 - 'Good'. Contribution to skills was judged as 'Strong' due to the College's continued work with employer representative bodies to deliver a curriculum that aligns to the local skills improvement plan for West and Central London. The College follows a Curriculum Intent and Planning process which ensures the College fulfils the 'Statutory Guidance for Further Education Colleges' and adheres to 'Review how well the education or training provided meets local needs', thereby meeting the duty the College has to the guidance from the Department for Education.

Report of the Governing Body (continued)

In addition to this, the College updated its published accountability agreement for 2024-25, in line with the Local Skills Improvement Plan (LSIP) for London. This document was scrutinised by the DfE in a review meeting in the spring of 2025, to assess the progress the College has made with its accountabilities, and was commended by the DfE as a robust, ambitious but achievable set of objectives. Funding from LSIP has provided the opportunity to upgrade both green skills and health and social care equipment, with a fully equipped simulated hospital ward supporting the delivery of Health & Social Care T-Levels, and the latest sustainable air-conditioning and refrigeration equipment. Along with these curriculum and resourcing developments, teaching, learning and assessment has continued to improve with the first full complete round of developmental observations, supported by a triangulated programme of continuous professional development, focusing on key areas of pedagogy, in particular Planning, Questioning, Feedback, Assessment for/through Learning, Stretch and Challenge and Target Setting.

Key Performance Reviews were enhanced by Ofsted Preparation meetings and associated 'Search' activities. Here managers tested the narratives offered by curriculum teams around selected themes, through discussion with students, teachers and managers, and documentation scrutiny on college systems. This was rounded off by end of year reviews where curriculum SLT members held meetings with all curriculum areas across the college to assess performance against Impact Measurements, as articulated through the 'UCG Method', which is a strategic overview of the college's pedagogical philosophy and culture of approach to students.

The College's achievement has continued to improve, with many areas performing well above National Rates, including in 16-18 provision Health and Social Care, Business, and ESOL. 19+ learners in ESOL, Security and Retail Provision and the Employability Skills Provision for adults continue to serve a large volume of students who have very good outcomes. Learners in the 16-18 Business provision have improved achievements rates of +21.3% as compared to the previous year, and ESOL learners in both age groups have increased outcomes, with 16-18 +5.2% at 91.1% achievement and 19+ adult ESOL +3.8%, at 93.4% achievement.

Actual destination statistics demonstrate positive destinations for over 90% of our learners in both age categories, with student satisfaction sitting in the second upper quartile in the May student survey.

Future Developments

The College continues to ensure that its estate reflects the needs of modern-day learning. A brand-new hair and beauty salon has been installed at the Paddington Campus ready for its first group of students from September 2025. The College is developing its curriculum collaborations with the National Youth Theatre, and through this partnership is exploring links with the film and television industry as an alternative engagement vehicle for young learners retaking English qualifications. The College continues to actively work with the Church Street redevelopment project to see how the Cockpit Theatre can support the urban regeneration as an anchor institution for the area.

Wembley Park Development

Coupled with the estates strategy, work surrounding the design and delivery of a new state-of-the-art campus in Wembley Park continues. The College secured purified planning consent in December 2023. This takes the College a step closer to crystallizing the new campus for learners in Brent and neighboring Boroughs.

As at 31 July 2025, the College has invested £33,856,000 in the project. This includes £20,350,000 on the purchase of a new campus site in Wembley Park, formerly known as the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU.

Report of the Governing Body (continued)**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 out 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 met this target. The College incurred no interest charges in respect of late payments for this period.

RESOURCES:

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

Tangible resources include the main College campuses at Paddington Green and Willesden Green, centres at Wembley Park and Maida Vale, along with the Cockpit Theatre in Gateforth Street and a Construction Skills Centre at Euston which opened in January 2024. On 22 December 2021 the College purchased a site in Wembley Park for redevelopment at a cost of £20.35m.

Financial

As at 31 July 2025 the Group had £67.325m of net assets (2023-24 £65.727m net assets) and long-term creditors of £83.851m (2023-24 £85.016m).

People

In 2024-25 the College employed 799 people (2023-24 837), of whom 465 were teaching staff (2023-24 467). Expressed as full-time equivalents, the College employed 658 people (2023-24 690), of whom 396 were teaching staff (2023-24 388).

Reputation

The College has a good reputation locally and nationally. Maintaining quality brands is essential for the College's success in attracting students and developing external relationships. The College's investment in its estate enhances that reputation and further property improvements are planned in the coming years.

PRINCIPAL RISKS AND UNCERTAINTIES:**1. Government Funding**

The College has considerable reliance on continued government funding through the DfE. In 2024-25, 94% (2023-24 93%) of the College's revenue was ultimately public funded.

The College is aware of the issues which impact on future funding and the pressures affecting the funding available both for 16–18-year-olds and adults.

Report of the Governing Body (continued)

The risk is mitigated in several ways:

- An enhanced reputation and profile because of excellent achievement rates;
- Continued investment in College properties to provide a first-class environment for students;
- Funding is derived through several direct and indirect contractual arrangements;
- By ensuring the College is rigorous in delivering high quality education and training;
- Considerable focus on and investment in maintaining and managing relationships with the various funding bodies;
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding;
- Developing an appropriate curriculum for full cost recovery work;
- Continuing to grow the other commercial income of the College;
- Successful bidding for procured contracts.

2. Failure to achieve planned learner numbers

With 94% of College income arising from grant funding, it is essential that the College recruits and delivers against its funding allocation. The College has a long history of meeting and exceeding its DfE allocations.

The risk of under recruitment and delivery is mitigated in several 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 and building of flexibility into curriculum planning;
- Formulation of an Enrolment Action plan and marketing strategy;
- Early identification of potential over/under recruitment with intervention strategies in place to respond.

3. Maintain adequate funding of pension liabilities

The financial statements at 31 July 2022 reported the College's share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102. However, changes in the assumptions surrounding the actuarial valuation of the scheme has led to a change in the carrying amount of the pension, turning it from a pension liability to a pension asset at 31 July 2025 of £11.346m (31 July 2024 pension asset £1.827m). In accordance with FRS102, this pension asset is not reflected in the Financial Statements, and a nil value liability is shown in the Balance Sheet at 31 July 2025 (31 July 2024 nil).

4. Increases in employer contributions to the Teachers' Pension Scheme

On 1 September 2019 employer contributions to the Teachers' Pension Scheme (TPS) increased from 16.48% to 23.68%. A further increase to 28.68% came into effect from 01 April 2024. The DfE has reimbursed FE Colleges for these additional costs, and in 2024-25 the College recognised £1.524m in Teachers' Pension Scheme contribution grant income (2023-24 £1.035m). Whilst the DfE has confirmed it will continue to reimburse FE Colleges for this increase to March 2026, the period beyond March 2026 is still unknown. The College will consider and make allowance for this increase where necessary in its budgeting and planning cycles.

Report of the Governing Body (continued)**5. Major capital projects**

As at 31 July 2025, the College has invested £33,856,000 in its Wembley Park redevelopment project. This includes £20,350,000 on the purchase of a new campus site in Wembley Park, formerly known as the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU. In December 2023, the College secured purified planning consent for a new campus on this site. The redevelopment project, which is projected to cost £175,000,000, will be funded by sale proceeds from existing campus sites in Willesden and Wembley, grant funding from the DfE, GLA and London Borough of Brent, and College cash reserves. The College continues to work closely with these partners and other stakeholders in the project. Project costings, affordability and cashflows are prepared and reviewed on a regular basis and shared with partners.

STAKEHOLDER RELATIONSHIPS:

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

- Students;
- Education Sector funding bodies;
- Staff;
- Local and national employers (with specific links);
- Local Authorities;
- Greater London Authority;
- Government Offices / Regional Development Agencies;
- The local community including residents associations;
- Other FE institutions and Universities;
- Trade Unions;
- Professional bodies;
- Private training providers;
- Regeneration Agencies;
- Pension fund authorities;
- Banking partners;
- Employer Representative Bodies.

The College recognises the importance of these relationships and engages in regular communication with them by meetings, written communications, mailings and through the College's Internet site, staff-net and student-net sites as appropriate.

Equal opportunities and employment of disabled persons

The College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and values positively differences in race, gender, gender reassignment status, marital or civil partnership status, pregnancy, sexual orientation, disability, religion or belief and age. The College also strives vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis.

In pursuit of the College's aspirations to continually improve its approach to Equalities, Diversity and Inclusion it developed a holistic action plan and achieved Investors in Diversity re-accreditation from the National Centre for Diversity in 2023-24.

The College considers all applications from disabled persons, guaranteeing an interview where selection criteria are met. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Report of the Governing Body (continued)Disability statement

The College seeks to achieve the objectives set down in the Equalities Act 2010.

- a) The College employs an Assistant Principal and Curriculum Managers with responsibility for learners with learning difficulties and disabilities and employs a range of specialist staff to support learners with moderate and severe learning difficulties and/or disabilities (LLDD), who provide information, advice and arrange support where necessary for students with disabilities.
- b) There is a list of specialist equipment which the College makes available for use by students. A range of assistive technology is available in the learning centres and from the College's Additional Learning Support Teams.
- c) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- d) The College has made a significant investment in the appointment of learning support assistants to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- e) The College has a good reputation for providing discrete specialist programmes, details of which can be obtained from the relevant Assistant Principals and Curriculum Managers or through the course advice teams.
- f) Counselling and welfare services, along with the College's Complaints and Disciplinary procedures, are described in the student induction pack, which is issued to every student at induction.

Trade union facility time

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

Number of employees who were relevant union officials during 2024-25	Full-time equivalent employee number
19	15.32

Percentage of time spent on facility time:

Percentage of time	Number of Employees
1-50%	19

Percentage of pay bill spent on facility time:

Total cost of facility time	£57,288
Total pay bill of union representatives	£884,259
Percentage of total pay bill spent on facility time	6.5%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	6.6%
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Report of the Governing Body (continued)**Disclosure of information to the auditor**

The members of the Corporation 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 is 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 auditor is aware of that information.

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

A handwritten signature in black ink, appearing to read 'Franklin Asante', with a stylized flourish at the end.

Franklin Asante
Chair of Governors

Statement of Corporate Governance and Internal Control

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

GOVERNANCE CODE

The College endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the Further Education code of good governance (“the Code”)

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. This opinion is based on an internal review of compliance with the Code reported to the Governance, Search and Remuneration Committee on 10 March 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance. In carrying out its responsibilities, it takes full account of Further Education Code of Good Governance issued by the Association of Colleges in 2023, which it formally adopted September 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 were as listed in the table below.

Name	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2024-25
Tony Johnston	04/07/2018	4yrs	02/10/2024	Independent member	GSR, F&R, P&I, TLS	0/4
Franklin Asante	17/12/2018	4yrs		Independent member	GSR, F&R, P&I	13/14
Laura Griffin	03/07/2019	4yrs		Independent member	GSR, F&R	10/11
Colin Smith	26/01/2019	4yrs		Independent member	TLS, GSR	11/11
Derrick Betts	16/10/2019	4yrs	26/08/2025	Independent member	Audit, GSR	8/11
Ross Mackenzie	01/08/2020	4yrs		Independent member	F&R, GSR	10/11
Alastair Procter	19/10/2022	4yrs		Independent member	F&R	7/8
Grainne Brankin	16/12/2020	4yrs		Independent member	Audit, P&I	11/12
Alex Fyfe	04/07/2018	4yrs		Independent member	F&R, P&I	10/12
Elom Tay	10/03/2021	4yrs		Independent member	P&I	6/8
Stephen Davis	15/11/2021	N/A		CEO / Group Principal	F&R, P&I, TLS	15/16
Tim Ryan	18/10/2023	4yrs		Independent member	TLS	7/8

Statement of Corporate Governance and Internal Control (continued)

Name	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2024/5
Tanya Rose	18/10/2023	4yrs		Independent member	TLS	8/8
Jessie Turnbull	06/07/2022	4yrs	19/11/2024	Co-opted member	P&I	2/2
Amish Nathwani	17/12/2018	4yrs	03/12/2024	Co-opted member	Audit & P&I	4/4
Andrew Dowsett	29/03/2023	4yrs		Co-opted member	Audit	4/4
Stephen Grainge	29/03/2023	4yrs		Co-opted until 31 March 2025 then Independent member	Audit	6/6
Rob Bradley	27/03/2024	4yrs		Co-opted member	P&I	3/4
Nick Porzig	31/03/2025	1yr		Co-opted member	P&I	
Max Maalimey	10/03/2021	4yrs	31/07/2025	Staff governor	TLS	8/8
Nadia Babar	10/03/2021	4yrs		Staff governor	F&R	6/8
Moosa Abuelzein	05/09/2024	1yr	31/07/2025	Student governor	TLS	8/8
Serene Stennett	09/10/2024	1yr	31/07/2025	Student governor	TLS	5/8
Dasha Dockree	22/10/2025	4yrs		Independent member	Audit	
Jessica Amatefio	09/10/2025	1yr		Student governor	TLS	
Airina Gordon	22/10/2025	4yrs		Staff governor	TLS	

F&R - Finance and Resources Committee

P&I - Property and Infrastructure Committee

Audit - Audit Committee

TLS - Teaching, Learning and Skills Committee

GSR - Governance, Search and Remuneration Committee

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 such as health and safety and environmental issues. The Corporation meets at least once per term.

The Corporation conducts its business through several committees. Each committee has terms of reference, which are approved by the Corporation. These committees are:

- Finance & Resources Committee
- Property & Infrastructure Committee
- Teaching, Learning and Skills Committee
- Governance, Search and Remuneration Committee
- Audit

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website (ucg.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 and senior leaders. The register is available for inspection on request to the Director of Governance.

Statement of Corporate Governance and Internal Control (continued)

All governors can 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 Board 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 Board and Committee meetings. Briefings are also provided on an ad hoc basis.

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. The Corporation has a search committee, consisting of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's approval. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. AoC's Further Education Good Governance Code recommends a maximum of two terms of four years.

Corporation performance

The Corporation undertook an external governance review during 2022-23. The outcome of the review concluded full compliance with the Charity Governance Code which had been adopted at that time. The review identified areas of good practice including an effective governance culture, strong oversight of performance, student centric decision-making, and rigorous governance processes. The full report of the review is published on the College's website. A further external review of governance is planned for the Autumn term 2025-26.

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2025 which fed into the Governance improvement plans. The Corporation was content that it was compliant with the Further Education Good Governance Code. The governing body is committed to development and held a governor development day on 18 January 2025. Governors also completed the following training and development activities.

Training & Development opportunity	Number of governors
1 Safeguarding	7
2 Link governors with a career cluster / service area	8
3 Governance Summit/ FE Conference	2
4 Governance best practice	2
5 Prevent	5
6 Campus visits (in addition to link governor visits)	3
7 HMT Managing Public Money	3
8 AoC EDI Network	3
9 AoC Curriculum & Quality Network	1
10 AoC SEND Network	1
11 ETF Governor Development Programme	2
12 Charity Governance	1

Statement of Corporate Governance and Internal Control (continued)

	Training & Development opportunity	Number of governors
13	Governor induction (inc. student governors)	3
14	Student Awards	2
15	Running Campaigns (student governors)	1
16	Communication Skills	1
17	Unloc Student Governor Changemaker Programme	2
18	Unloc Festival of Student Governors	2

Remuneration Committee

Throughout the year ending 31 July 2025, the College's Governance, Search and Remuneration Committee comprised five members of the Corporation met on three occasions. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other Senior Post Holders. The College has adopted the AoC's Senior Post Holder Remuneration Code.

Details of remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

Audit Committee

The Audit Committee currently comprises four members of the Corporation. The Committee operates in accordance with approved written terms of reference.

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 of input and report 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 audit and non-audit work as well as reporting annually to the Corporation.

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

Committee member	Meetings attended
Derrick Betts (Chair)	4/4
Amish Nathwani Resigned 03/12/2024	2/2
Grainne Brankin	3/4
Andrew Dowsett	4/4
Stephen Grainge	4/4

Statement of Corporate Governance and Internal Control (continued)**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 CEO and Group 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 he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between United Colleges Group 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 in United Colleges Group 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 ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the 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 monthly and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- 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, 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

During 2024/25 the College reviewed its Risk Management Policy which sets out how risks are identified and evaluated. Risks are collated into a series of operational risk registers and risk categories for review by the relevant committee against an agreed risk tolerance level. Strategic level risks are reviewed by the Audit Committee and the Corporation. The risk registers include mitigating actions and residual risk evaluation. The Audit Committee also conducts deep dives into risk areas.

Statement of Corporate Governance and Internal Control (continued)**Control weaknesses identified**

Internal audits achieved significant or reasonable assurance in all areas audited and good progress was made on the Follow-Up audit. An adequate and effective audit opinion was provided by the Internal Audit Partners. Plans are in place for all outstanding recommendations to be completed and the audit committee will continue monitoring progress.

Responsibilities under accountability agreements

DfE issued a college finance handbook in March 2024 which set out rules for the 2024-5 academic year. The college has reviewed its policies, procedures and approval processes in line with the 2024-5 college finance handbook and its accountability agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the audit committee

The audit committee has advised the board of governors that the Corporation has an effective framework for governance, risk management and internal controls in place.

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:

- Deep dives for IT and MIS and Business Development risk registers
- Monitoring the completion of internal audit recommendations.
- Review of the Counter Fraud, Anti-bribery, Risk Management, Health & Safety, Whistleblowing and Business Continuity policies.

Review of effectiveness

As Accounting Officer, the CEO and Group 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 auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their external auditor's auditor findings report (management letter) and other reports.
- the regularity self-assessment questionnaire.

The Accounting Officer has been advised of the implications of the result of their 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 senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and 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 senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

Statement of Corporate Governance and Internal Control (continued)

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:



Franklin Asante
Chair of Governors



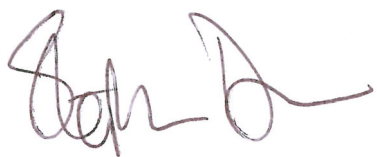
Stephen Davis
Accounting Officer
CEO & Group Principal

Statement of regularity, propriety and compliance

As accounting officer of the corporation of United Colleges Group 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 or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and DfE.

A handwritten signature in dark ink, appearing to read 'Stephen Davis', with a stylized flourish at the end.

Stephen Davis

CEO and Group Principal, Accounting Officer

15 December 2025

Statement of the responsibilities of the members of the Corporation

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

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

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

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

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

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

Statement of the responsibilities of the members of the Corporation (continued)

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 their behalf by:

A handwritten signature in black ink, appearing to read 'Franklin Asante', with a stylized flourish at the end.

Franklin Asante
Chair of Governors

Independent auditor's report to the Corporation of United Colleges Group

Opinion

We have audited the financial statements of United Colleges Group (the 'College') and its subsidiaries (collectively the 'Group') for the year ended 31 July 2025 which comprise the Group and College Statement of Comprehensive Income and Expenditure, the Group and College Statement of Changes in Reserves, the Group and College Balance Sheet, the Group Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2025 and of the Group's and College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the requirements of the OfS's accounts direction have been met.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditor's report to the Corporation of United Colleges Group (continued)

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report including the strategic report. We have nothing to report in respect of the following matters where the framework for external auditors and reporting accountants of colleges issued by the Department for Education requires us to report to you if, in our opinion:

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

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- in all material respects, funds provided by whatever sourced administered by the College for specific purposes during the year ended 31 July 2025 as disclosed in note 2, have been applied to those purposes and managed in accordance with relevant legislation; and
- in all material respects, funds provided by the Office for Students (OfS) and the Department for Education have been applied in accordance with the terms and conditions attached to them during the year ended 31 July 2025.

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 27, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the Corporation of United Colleges Group (continued)**Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Independent auditor's report to the Corporation of United Colleges Group (continued)

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 19 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

**HaysMac LLP**

Chartered Accountants and Statutory Auditor
10 Queen Street
London
EC4R 1AG

Date: 19/12/2025

Reporting Accountant's Assurance Report on Regularity to the Corporation of United Colleges Group and Secretary of State for Education

In accordance with the terms of our engagement letter dated 27 August 2025 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 United Colleges Group during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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 United Colleges Group and 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 United Colleges Group 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 United Colleges Group 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 United Colleges Group and the reporting accountant

The Corporation of United Colleges Group 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 purposes intended by Parliament and that the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the extant 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 and propriety of the College's income and expenditure.

Reporting Accountant's Assurance Report on Regularity to the Corporation of United Colleges Group and Secretary of State for Education (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewing the College's completed self-assessment questionnaire on regularity.
- Reading the accountability agreements, grant funding agreements and contracts with the ESFA.
- Testing a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Testing a sample of individual learner records.
- Obtaining the policy for personal gifts and/or hospitality.
- Obtaining the register of personal interests.
- Obtaining the financial regulations/financial procedures.
- Obtaining the College's whistleblowing policy.
- Reviewing the College's compliance with the requirements of HM Treasury's "Managing Public Money" document.

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 that the financial transactions do not conform to the authorities that govern them.

Signed:



HaysMac LLP

Chartered Accountants and Statutory Auditor
10 Queen Street
London
EC4R 1AG

Date: 19/12/2025

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 July 2025		Year ended 31 July 2024	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	2	56,199	56,199	51,772	51,772
Tuition fees and education contracts	3	1,112	1,112	1,234	1,234
Other income	5	2,160	1,568	2,187	1,380
Investment income	6	422	422	535	535
Total income		59,893	59,301	55,728	54,921
EXPENDITURE					
Staff costs	7	34,498	34,498	32,811	32,811
Fundamental restructuring costs	7	64	64	312	312
Other operating expenses	8	17,348	16,995	16,485	16,005
Depreciation	11	5,661	5,658	5,906	5,903
Interest and other finance costs	9	1,011	1,011	1,075	1,075
Total expenditure		58,582	58,226	56,589	56,106
Surplus / (deficit) before other gains and losses		1,311	1,075	(861)	(1,185)
Profit on the disposal of assets	11	-	-	-	-
Surplus / (deficit) before tax		1,311	1,075	(861)	(1,185)
Taxation		-	-	-	-
Surplus / (deficit) for the year	10	1,311	1,075	(861)	(1,185)
Actuarial gain in respect of pension schemes	23	287	287	109	109
Total comprehensive income / (expenditure) for the year		1,598	1,362	(752)	(1,076)
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income / (expenditure)		1,598	1,362	(752)	(1,076)
		1,598	1,362	(752)	(1,076)

Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance as at 1 August 2023	45,078	21,401	66,479
Deficit from the income and expenditure account	(861)	-	(861)
Other comprehensive income	109	-	109
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	(305)	(447)	(752)
Balance at 31 July 2024	44,773	20,954	65,727
Surplus from the income and expenditure account	1,311	-	1,311
Other comprehensive income	287	-	287
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	2,045	(447)	1,598
Balance at 31 July 2025	46,818	20,507	67,325
College			
Balance as at 1 August 2023	45,517	21,401	66,918
Deficit from the income and expenditure account	(1,185)	-	(1,185)
Other comprehensive income	109	-	109
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	(629)	(447)	(1,076)
Balance at 31 July 2024	44,888	20,954	65,842
Surplus from the income and expenditure account	1,075	-	1,075
Other comprehensive income	287	-	287
Transfers between revaluation and income and expenditure reserves	447	(447)	-
	1,809	(447)	1,362
Balance at 31 July 2025	46,697	20,507	67,204

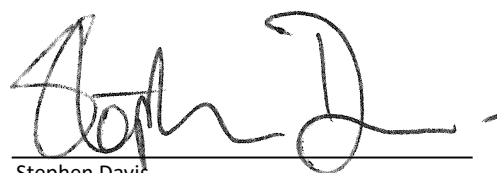
Balance sheets as at 31 July

	Note	2025	2025	2024	2024
		Group £'000	College £'000	Group £'000	College £'000
Non current assets					
Tangible fixed assets	11	152,370	152,365	153,293	153,287
		152,370	152,365	153,293	153,287
Current assets					
Trade and other receivables	13	2,488	2,480	2,256	2,137
Cash and cash equivalents	19	11,035	11,007	11,992	11,964
		13,523	13,487	14,248	14,101
Less: Creditors - amounts falling due within one year	14	(12,650)	(12,729)	(14,497)	(14,229)
Net current assets / (liabilities)		873	758	(249)	(128)
Total assets less current liabilities		153,243	153,123	153,044	153,159
Creditors - amounts falling due after more than one year	15	(83,851)	(83,851)	(85,016)	(85,016)
Provisions					
Defined benefit obligations	20	-	-	-	-
Other provisions-Enhanced Pension liabilities	20	(2,068)	(2,068)	(2,301)	(2,301)
Total net assets		67,325	67,204	65,727	65,842
Unrestricted reserves					
Income and expenditure account		46,818	46,697	44,773	44,888
Revaluation reserve	18	20,507	20,507	20,954	20,954
		67,325	67,204	65,727	65,842
Total reserves		67,325	67,204	65,727	65,842

The financial statements on pages 35 to 61 were approved and authorised for issue by the Corporation on 15 December 2025 and were signed on its behalf on that date by:



Franklin Asante
Chair



Stephen Davis
CEO and Group Principal, Accounting Officer

Consolidated Statement of Cash Flows

	Note	2025	2024
		£'000	£'000
Cash flows from operating activities			
Surplus / (deficit) for the year		1,311	(861)
Adjustment for non-cash items			
Depreciation		5,659	5,906
(Increase) / decrease in debtors		(232)	1,889
Decrease in creditors due within one year		(1,917)	(746)
Decrease in creditors due after one year		(2,876)	(3,801)
Decrease in provisions		(233)	(63)
Pension costs less contributions payable		287	109
Adjustment for investing of financing activities			
Investment income		(422)	(535)
Interest payable		1,002	1,081
Net cash flow from operating activities		2,579	2,979
Cash flows from investing activities			
Investment income		422	535
DfE capital funding receipts		3,764	3,714
OfS capital funding receipts		12	15
Payments made to acquire fixed assets		(4,736)	(8,076)
		(538)	(3,812)
Cash flows from financing activities			
Interest paid		(1,002)	(1,081)
New unsecured loans and overdrafts		-	-
Repayments of amounts borrowed		(1,996)	(1,937)
		(2,998)	(3,018)
Decrease in cash and cash equivalents in the year		(957)	(3,851)
Cash and cash equivalents at 1 August	19	11,992	15,843
Cash and cash equivalents at 31 July	19	11,035	11,992

Notes to the Accounts

1 Accounting policies

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 2023 to 2024 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom on 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 modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, CWC Enterprises Limited, which is 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. Under the purchase method of accounting, the results of the subsidiary are included in the consolidated income and expenditure account. Intra-group transactions 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 College’s financial projections for 2025-26 and beyond, indicate that it will be able to generate operational surpluses and operate within its existing available bank facilities. For 2024-25 the College generated a surplus which followed a planned deficit in 2023-24 which allowed the College to invest in curriculum quality to achieve enhanced outcomes and deliver its Ofsted improvement action plan. In addition, the College continues to monitor its Wembley Park redevelopment project closely to ensure affordability of the project and guarantee sufficient cashflows are available to deliver the project and meet the College’s liabilities in both the medium and long term.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence through 2025-26 and into 2026-27. For this reason, the College continues to adopt the going concern basis in the preparation of its financial statements.

As at 31 July 2025 the College had cash and cash equivalents of £11.035m. £6.680m of this balance relates to a Department for Education (DfE) loan entered into on 28 July 2023. This loan, originally for £8.35m, replaced an existing and unutilised rolling credit facility of £8.35m the College had negotiated with Barclays Bank PLC which was due to expire on 1 August 2023.

1 Accounting policies (continued)

Given the above and ongoing support of the DfE, the Corporation believes the College will be able to continue in operation, and meet its liabilities as they fall due, for a period well beyond 12 months from the date of approval of these accounts.

Recognition of income

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 (DfE and GLA) are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement of the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the statement of comprehensive income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from the 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 one year as appropriate.

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.

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 conditions are met.

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 and includes all fees payable by students or their sponsors.

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

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

Post-retirement benefits

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

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 scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

1 Accounting policies (continued)

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 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 ongoing pension to a former member of staff is paid by the College monthly. An estimate of the expected future cost of any enhancement to the ongoing 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.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Freehold buildings are depreciated over their expected useful economic life, on a straight-line basis, of between 10 and 60 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 60 years.

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

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

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

1 Accounting policies (continued)

On adoption of FRS 102, City of Westminster College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1994, as deemed cost with the exception of the freehold land only of its Queen's Park and Cockpit Theatre sites. These were revalued by Gerald Eve and added £9.65m to the value of College land as at 1 August 2014. The College of North West London also undertook a revaluation exercise in July 2015 which added £2.14m to the value of College land and buildings at 31 July 2015, backdated to 1 August 2014.

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 detailed below. In relation to the College's £15m redevelopment of its Maida Vale Campus which reopened in Aug-2017, capitalised costs are being depreciated over the remaining life of the lease, which is due to expire in Jul-37.

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:

- Building improvements 10 years
- Technical equipment 10 years
- Motor vehicles 3 to 5 years
- Computer equipment 3 to 5 years
- Furniture, fixtures and fittings 7 to 10 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.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred. Any borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

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.

1 Accounting policies (continued)

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.

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 three 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 College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. 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 the income and expenditure account in the period in which they arise.

1 Accounting policies (continued)

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of 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 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.

Agency arrangements

The College acts as an agent in the collection and payment of 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds. Related payments received from the DfE and subsequent disbursements to students are excluded from the income and expenditure of the College and are shown separately in note 25.

1 Accounting policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. 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 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*
In 2021-22 the present value of the Local Government Pension Scheme defined benefit liability was £22.861m. The present value is dependent 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 23, 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/asset at 31 July 2023. For 2022-23 these assumptions led to a change in the carrying amount of the pension turning it from a liability to a pension asset of £2.171m. In 2023-24 this pension asset reduced by £344,000 to £1.827m and increased by £9.519m to £11.346m in 2024-25. However, FRS102 requires the plan surplus is recognised in the Financial Statements to the extent that it can be recovered through reduced contributions or refunds from the plan. Having established this is not possible, the pension asset is not reflected in the Financial Statements, and a nil value liability is shown in the Balance Sheet at 31 July 2024 and 31 July 2025.

2 Funding body grants

	Note	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Recurrent grants					
DfE - adult	4	13,584	13,584	13,846	13,846
DfE - 16-18	4	29,644	29,644	25,278	25,278
DfE - apprenticeships	4	2,080	2,080	1,757	1,757
Greater London Authority - procured	4	-	-	522	522
Office for Students	4	132	132	64	64
Specific grants					
Releases of government capital grants		3,117	3,117	3,011	3,011
Local Authority income		4,864	4,864	5,104	5,104
Teachers' Pension Scheme contribution grant		1,524	1,524	1,035	1,035
Bursary income		1,254	1,254	1,155	1,155
		56,199	56,199	51,772	51,772

3 Tuition fees and education contracts

		2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Adult education fees		130	130	148	148
Fees for FE loan supported courses		540	540	600	600
Fees for HE loan supported courses		384	384	337	337
Total tuition fees	4	1,054	1,054	1,085	1,085
Educational contracts		58	58	149	149
		1,112	1,112	1,234	1,234

4 Recurrent grant and tuition fee income

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Grant income from the OfS	132	132	64	64
Grant income from other bodies	45,308	45,308	41,403	41,403
Fee income for taught awards	1,054	1,054	1,085	1,085
Total grant and fee income	46,494	46,494	42,552	42,552

5 Other income

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Lettings income	227	16	459	(14)
Cockpit Theatre income	421	41	410	77
Other grant income	816	816	494	494
Miscellaneous income	696	695	824	823
	2,160	1,568	2,187	1,380

6 Investment income

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Interest receivable	422	422	535	535
	422	422	535	535

7 Staff costs - Group and College

The average number of persons (including key management personnel) employed by the College during the year, on an average headcount basis, was:

	2025 Number	2024 Number
Teaching staff	465	467
Non-teaching staff	334	370
	799	837

The above staff number, described as full time equivalent, is 658 (2023-24: 690).

Staff costs for the above persons	2025 £'000	2024 £'000
Wages and salaries	24,924	22,307
Social security costs	2,763	2,236
Other pensions costs	5,054	4,419
Payroll subtotal	32,741	28,962
Agency staff costs	1,706	3,668
Holiday Pay accruals -movement in year	51	181
	34,498	32,811
Fundamental restructuring costs: - Contractual	64	312
Total staff costs	34,562	33,123

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 Senior Leadership Team, which comprised the Chief Executive Officer and Group Principal and the Chief Financial Officer.

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

	2025 Number	2024 Number
The number of key management personnel, including the Accounting Officer was:	2	2

7 Staff costs - Group and College (continued)

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

			Key management personnel		Other staff	
			2025	2024	2025	2024
			Number	Number	Number	Number
£60,001	to	£65,000	-	-	7	6
£65,001	to	£70,000	-	-	4	12
£70,001	to	£75,000	-	-	11	1
£75,001	to	£80,000	-	-	2	3
£85,001	to	£90,000	-	-	2	-
£90,001	to	£95,000	-	-	1	1
£100,001	to	£105,000	-	-	1	-
£105,001	to	£110,000	-	-	-	1
£115,001	to	£120,000	-	-	-	1
£120,001	to	£125,000	-	-	1	-
£155,001	to	£160,000	-	1	-	-
£160,001	to	£165,000	1	-	-	-
£175,001	to	£180,000	-	1	-	-
£190,001	to	£195,000	1	-	-	-
			2	2	29	25

Key management personnel compensation is made up as follows:

	2025	2024
	£'000	£'000
Salaries	352	340
Employers National Insurance	48	44
Benefits in kind	2	2
	402	386
Pension contributions	80	66
Payroll subtotal	482	452
Total key management personnel compensation	482	452

There were no amounts due to senior post-holders that were waived in the year, nor any salary sacrifice arrangements in place. The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2025	2024
	£'000	£'000
Salaries	190	184
Benefits in kind	2	2
	192	186
Pension contributions	55	42
Total emoluments	247	228

In 2024-25, Mr. Stephen Davis acted as CEO and Group Principal and Accounting Officer throughout and a summary of emoluments can be found above.

7 Staff costs - Group and College (continued)

It is the responsibility of the Governance, Search and Remuneration Committee (GSR) to consider all aspects of employment for Key management personnel and makes recommendations to the Governing Body. All Key management personnel appointments are approved by the Governing Body on recommendation of the GSR committee.

The approach taken by the Governing Body in setting the salary levels of Key management personnel is to strike a balance between recruiting, retaining and rewarding the best staff possible to deliver the best outcome for students, society and the economy whilst demonstrating value for money and effective use of resources. Factors taken into account when considering Key management personnel remuneration include competition, market rates and demand, benchmarking across the FE sector, relevant skills and experience, individual and institutional performance.

The Governing Body adopted the AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles.

The Accounting Officer reports to the Chair of the Governing Body, which undertakes an annual review of his performance against the College's overall objectives using both qualitative and quantitative measures of performance.

In 2024-25 the GSR Committee and Governing Body reviewed the performance of Key management personnel and awarded a 3% pay increase as a cost of living payment which was in line with all other staff.

The Accounting Officer's basic salary and total remuneration as a multiple of the median of all staff is 6.8 times the median, which was £28,143 (2023-24 6.2 times the median, which was £29,707).

The pension contributions in respect of the Accounting Officer and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme and the London Pension Fund Authority and are paid at the same rate as for other employees.

In August 2022 the College resought and received approval from the Charity Commission to reimburse the in-post Chair of Governors for Trustee duties over and above those considered to be within the normal voluntary role of the Chair. Payments to the Chair of Governors ceased in 2024-25 (2023-24 £10,000 excluding on-costs).

Other than as stated above, the members of the Corporation, other than the CEO and Staff Governors, did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Compensation for loss of office paid to former key management personnel

	2025	2024
	£	£
Compensation paid to former post-holders	-	-

No severance payments were made to key management personnel in 2024-25 (2023-24 none).

Severance payments to all staff

The College paid six severances in year (2023-24 seven), displayed in the following bands:

	2025	2024
	Number	Number
£0 to £25,000	5	3
£25,001 to £50,000	1	3
£50,001 to £100,000	-	-
£100,001 to £150,000	-	-
£150,001 and above	-	1
	<u>6</u>	<u>7</u>

No special severance payments were made in 2024-25 (2023-24 none).

8 Other operating expenses

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	2,257	2,257	2,974	2,974
Non teaching costs	8,744	8,391	7,455	7,011
Premises costs	4,829	4,829	4,880	4,844
Subcontractors costs	1,518	1,518	1,176	1,176
	17,348	16,995	16,485	16,005

Other operating costs include:

	2025	2024
	£'000	£'000
Auditors' remuneration:		
Financial statements and regularity audit - in relation to the current period*	58	73
- in relation to the prior period	(5)	20
Internal audit	28	39
Hire of other assets - operating leases	3	3

* represents all fees paid by College, including £4,200 for CWC Enterprises Limited (2024: £10,303)

8a Access and participation spending

As an Office for Students registered college, the College has incurred the following access and participation costs in relation to its higher education students. These costs are included in Other operating expenses shown above.

	2025	2024
	£'000	£'000
Access investment	84	64
Financial support to students	44	46
Disability support	122	123
Research and evaluation (relating to access and participation)	110	102
	360	335

9 Interest and other finance costs - Group and College

	2025	2024
	£'000	£'000
On bank loans, overdrafts and other loans:		
On bank loans	1,002	1,081
Net interest on defined pension liability (note 23)	(101)	(124)
Other - interest on enhanced pension	110	118
	1,011	1,075

10 Surplus / (deficit) on continuing operations for the year - Group and College

	2025	2024
	£'000	£'000
College's surplus / (deficit) for the year	1,075	(1,184)
Profit generated by subsidiary undertaking	236	323
	1,311	(861)

11 Tangible fixed assets - Group

	Land and buildings				Total £'000
	Freehold £'000	Assets under construction £'000	Leasehold £'000	Equipment £'000	
Cost or valuation					
At 1 August 2024	144,637	32,852	13,221	13,601	204,311
Additions	1,191	1,004	13	2,528	4,736
Disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31 July 2025	145,828	33,856	13,234	16,129	209,047
Depreciation					
At 1 August 2024	39,633	-	5,245	6,140	51,018
Charge for the year	2,899	-	645	2,115	5,659
Elimination in respect of disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31 July 2025	42,531	-	5,890	8,255	56,677
Net book value at 31 July 2025	103,296	33,856	7,344	7,874	152,370
Net book value at 31 July 2024	105,004	32,852	7,976	7,461	153,293

Tangible fixed assets - College

	Land and buildings				Total £'000
	Freehold £'000	Assets under construction £'000	Leasehold £'000	Equipment £'000	
Cost or valuation					
At 1 August 2024	144,637	32,852	13,220	13,573	204,282
Additions	1,190	1,004	13	2,529	4,737
Disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31 July 2025	145,827	33,856	13,233	16,102	209,018
Depreciation					
At 1 August 2024	39,633	-	5,244	6,118	50,995
Charge for the year	2,899	-	647	2,112	5,658
Elimination in respect of disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31 July 2025	42,531	-	5,891	8,231	56,653
Net book value at 31 July 2025	103,296	33,856	7,342	7,871	152,365
Net book value at 31 July 2024	105,004	32,852	7,976	7,455	153,287

Assets under construction relate to property costs surrounding the College's Wembley Park Campus redevelopment and includes the purchase of the Olympic Office Centre at 8 Fulton Road, Wembley Park, Wembley, HA9 0NU on 21 December 2022 for £20.35m. It is this site that is being redeveloped and will become the College's new Wembley Park Campus.

11 Tangible fixed assets - Group (continued)

City of Westminster College's land and buildings were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors, Edward Rushton Son & Kenyon. In 2015-16 the College revalued its Queen's Park and Cockpit Theatre sites. This was conducted by Gerald Eve and added £9.650m to the value of College land.

Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of professional advice.

If inherited land and buildings had not been valued they would have been included at nil value in the financial statements.

12 Non-current investments

	2025 £	2024 £
Investment in subsidiary company	2	2
	<u>2</u>	<u>2</u>

The College owns 100% of the issued ordinary £1 shares of CWC Enterprises Limited, a company incorporated in England and Wales.

The principal business activity of CWC Enterprises Limited is the management of letting services for the College, the Cockpit Theatre and ancillary services.

13 Debtors

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Amounts falling due within one year				
Trade debtors	542	536	1,374	1,081
Amounts owed by subsidiary undertaking	-	-	-	174
Other debtors	97	95	22	22
Prepayments and accrued income	1,849	1,849	860	860
	<u>2,488</u>	<u>2,480</u>	<u>2,256</u>	<u>2,137</u>

14 Creditors: amounts falling due within one year

	Note	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Bank loans and overdrafts	16	2,066	2,066	1,996	1,996
Trade creditors		1,727	1,727	720	719
Amounts owed to subsidiary undertakings		-	95	-	-
Other taxation and social security		1,214	1,214	1,049	1,049
Accruals		1,846	1,844	2,909	2,812
Deferred income - tuition fees and other grants		1,021	1,021	1,592	1,445
Deferred income - government capital grants	17	2,923	2,923	3,166	3,167
Bursary creditors		733	733	2,310	2,310
Other creditors		620	606	305	281
Holiday pay accrual		500	500	450	450
		12,650	12,729	14,497	14,229

15 Creditors: amounts falling due after one year

	Note	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Bank loans	16	17,601	17,601	19,667	19,667
Deferred income - government capital grants	17	66,250	66,250	65,349	65,349
		83,851	83,851	85,016	85,016

16 Maturity of debt**Bank, other loans and overdrafts**

Bank loans and overdrafts are repayable as follows:

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
In one year or less	2,066	2,066	1,996	1,996
Between one and two years	2,137	2,137	2,066	2,066
Between two and five years	6,872	6,872	6,636	6,636
In five years or more	8,592	8,592	10,965	10,965
	19,667	19,667	21,663	21,663

At 31 July 2025, the College had three main loan facilities with Barclays Bank PLC. A £16m loan repayable over 25 years (at 6.998% interest), a £7.5m loan repayable over 24 years (at 8% interest) and a £1.5m loan repayable over 24 years (at 7.760%). At 31 July 2025 the balances outstanding on these loan facilities were £8.922m, £3.418m and £646k respectively.

On 22 December 2021, the College entered into an £8.35m revolving credit facility with Barclays Bank PLC. This facility was negotiated to bridge working capital requirements whilst the College incurs property costs surrounding the redevelopment of its Wembley Park campus. This facility was replaced with an £8.35m Department for Education (DfE) loan drawn down on 28 July 2023 and repayable over ten years at the variable PWLB standard rate. At 31 July 2025 the balance outstanding on this loan facility was £6.680m.

16 Maturity of debt (continued)

The three Barclays loans are secured against the College's Paddington Green Campus, located at 25 Paddington Green, London, W2 1NB. The DfE loan is secured against the College's Willesden Green Campus, located at Denzil Road (off Dudden Hill Lane), London, NW10 2XD.

17 Deferred capital grants

	Group and College		
	DfE/LEP grants £'000	Other government £'000	Total £'000
At 1 August 2024	68,484	30	68,514
Cash received	3,764	12	3,776
Released to statement of comprehensive income	(3,103)	(14)	(3,117)
At 31 July 2025	69,145	28	69,173

18 Revaluation reserve

	Group and College	
	2025 £'000	2024 £'000
At 1 August 2024	20,954	21,401
Transfer from revaluation reserve to general reserve	(447)	(447)
At 31 July 2025	20,507	20,954

19 Cash and cash equivalents

	At 1 August 2024 £'000	Cash flows £'000	At 31 July 2025 £'000
Group cash and cash equivalents	11,992	(957)	11,035
	11,992	(957)	11,035

20 Provisions

	Group and College		
	Defined benefit obligations	Enhanced pension	Total
	£'000	£'000	£'000
At 1 August 2024	-	2,301	2,301
Expenditure in the period	(1,789)	(242)	(2,031)
Other reductions in the period	(7,730)	8	(7,722)
Pension liability cap	9,519	-	9,519
At 31 July 2025	-	2,068	2,068

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 23.

The enhanced pension provision relates to the cost of staff who have already left the College's employment.

The principal assumptions for this calculation are:

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

21 Capital and other commitments

	Group and College	
	2025	2024
	£'000	£'000
Commitments contracted for at 31 July	-	-

At 31 July 2025 the College has no contracted for commitments. However, in 2025-26 the College has budgeted £10.276m in spend against its Wembley Park Campus redevelopment project. This is based on the most recent cashflows for the project.

22 Lease obligations

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

	Group and College	
	2025	2024
	£'000	£'000
No later than one year	3	3
Later than one year and not later than five years	1	7
	4	10

23 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LPGS), which is managed by the London Pension Fund Authority (LPFA). Both are multi-employer defined-benefit plans.

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions paid	3,169	2,659
Local Government Pension Scheme:		
Contributions paid - normal	1,599	1,462
FRS 102 (28) charge	<u>286</u>	<u>298</u>
Charge to the Statement of Comprehensive Income	1,885	1,760
Total pension cost for the year within staff costs (note 7)	<u>5,054</u>	<u>4,419</u>

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. Contributions amounting to £551,000 (2024: £504,000) were payable to the schemes at 31 July 2025 and are included within creditors.

Teachers' Pension Scheme

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer plan. The College is unable to identify its share of underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption of FRS102 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 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).

From September 2019, employer contribution rates were set at 23.68% of pensionable pay, representing a 7.2% increase in rate from 16.48% prior to September 2019. The rate rose a further 5% to 28.68% from April 2024. The Department agreed to pay a teacher pension employer contribution grant to cover this additional cost during 2024-25 and has indicated it will continue to fund these increases for the 2025-26 academic year. The College received £1.524m in teacher pension employer contribution grant in 2024-25 (2023-24 £1.035m; see Note 2).

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

The employer's pension costs paid to TPS in the year amounted to £3,151,000 (2024: £2,613,000).

23 Defined benefit obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by London Pension Fund Authority (LPFA). The total contributions made for the year ended 31 July 2025 were £2,329,000, of which employer's contributions totalled £1,630,000 and employees' contributions totalled £699,000. On 23 September 2022 the College signed a deed offering the LPFA a legal charge on its Paddington Green Campus. This resulted in a drop in the employer contribution rate from 31.1% to 23.4%. The College benefited further from the outcome of the LPFA's 2022 triennial valuation which saw the College's covenant grade increase from B to A status, resulting in a contribution rate for employers of 15.6% for three years from 1 April 2023. Contributions range from 5.5% to 12.5% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by Barnett Waddingham, a qualified independent actuary, for United Colleges Group.

	At 31 July 2025	At 31 July 2024
Discount rate	5.70%	5.05%
Pension increases (CPI)	2.80%	2.85%
RPI inflation	3.10%	3.20%
Salary increases	3.80%	3.85%

We have allowed for actual ONS CPI inflation observed between July 2024 and July 2025. This is reflected in the experience (gains)/losses on defined benefit obligations at 31 July.

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

	At 31 July 2025	At 31 July 2024
<i>Retiring today</i>		
Males	20.7	20.4
Females	23.9	23.8
<i>Retiring in 20 years</i>		
Males	21.7	21.4
Females	25.0	24.9

Sensitivity analysis

	At 31 July 2025 £'000	At 31 July 2024 £'000
The changes in assumptions below would increase / (decrease) the net liability as follows:		
Discount rate +0.1%	(1,038)	(1,185)
Discount rate -0.1%	1,062	1,213
Long term salary increase +0.1%	50	61
Long term salary increase -0.1%	(50)	(61)
Pension increases and deferred revaluation +0.1%	1,041	1,177
Pension increases and deferred revaluation -0.1%	(1,018)	(1,150)
Life expectancy +1 year	2,663	3,089
Life expectancy -1 year	(2,560)	(2,961)

23 Defined benefit obligations (continued)

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
Equities	51,544	51,169
Target return portfolio	17,700	13,881
Infrastructure	9,852	9,115
Property	7,837	7,593
Cash	1,799	2,734
Total	88,732	84,492
Weighted average expected long term rate of return	3.1%	3.2%
Actual return on plan assets	6,574	5,214

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	88,732	84,492
Present value of plan liabilities	(77,356)	(82,634)
Present value of unfunded liabilities	(30)	(31)
Adjustment recognised in actuarial losses to cap the scheme surplus	(11,346)	(1,827)
	-	-
Present value of unfunded liabilities-enhanced pension	(2,068)	(2,301)
Net pensions liability (Note 20)	(2,068)	(2,301)

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

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current and past service cost	1,945	1,734
Past service cost	130	-
Employer contributions	(1,789)	(1,436)
	286	298
Amounts included in investment income		
Net interest income	126	148
Administration charges	(25)	(24)
	101	124

23 Defined benefit obligations (continued)**Amounts recognised in Other Comprehensive Income**

	2025	2024
	£'000	£'000
Return on pension plan assets	2,365	1,102
Other actuarial gains	-	-
Experience gains / (losses) arising on defined benefit obligations	(771)	362
Changes in assumptions underlying the present value of plan assets	8,573	(1,813)
Changes in assumptions underlying demographics	(463)	179
	9,704	(170)
Adjustment to cap the scheme surplus	(9,519)	344
Actuarial gains / (losses) - pension enhancement	102	(65)
	287	109

Movement in net defined benefit assets during the year

	2025	2024
	£'000	£'000
Net defined benefit assets at 1 August	1,827	2,171
Movement in year:		
Current service cost	(1,945)	(1,734)
Employer contributions	1,789	1,436
Past service cost	(130)	-
Net interest on the defined liability	126	148
Actuarial gain or loss	9,704	(170)
Administration charges	(25)	(24)
Net defined benefit assets at 31 July	11,346	1,827

Asset and Liability Reconciliation

	2025	2024
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	82,665	78,192
Current service cost	1,945	1,734
Interest cost	4,083	3,964
Contributions by Scheme participants	686	640
Experience losses / (gains) arising on defined benefit obligations	771	(362)
Changes in financial assumptions	(8,573)	1,813
Changes in demographic assumptions	463	(179)
Estimated benefits paid	(4,782)	(3,135)
Past service cost	130	-
Unfunded pension payments	(2)	(2)
Defined benefit obligations at 31 July	77,386	82,665

23 Defined benefit obligations (continued)

Changes in fair value of plan assets

Fair value of plan assets at 1 August	84,492	80,363
Interest on plan assets	4,209	4,112
Return on plan assets less interest	2,365	1,102
Other actuarial gains	-	-
Employer contributions	1,789	1,436
Contributions by Scheme participants	686	640
Estimated benefits paid	(4,784)	(3,137)
Administration expenses	(25)	(24)
Fair value of plan assets at 31 July	88,732	84,492

24 Related party transactions

Due to the nature of the College's operations and the composition of the Corporation being drawn from local as well as national and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving organisations in which a member of the Corporation may have an interest 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 Members of the Corporation during the year were £4,570 (2023-24: £14,751). This represents travel and subsistence expenses, mobile phone charges and other out of pocket expenses incurred in attending Corporation meetings, College events and conferences in their official capacity.

In August 22 the College resought and received approval from the Charity Commission to reimburse the in-post Chair of Governors for Trustee duties over and above those considered to be within the normal voluntary role of the Chair. This arrangement ended on 31-July-2024. The cost to the College in 2024-25 was nil (2023-24: £10,125 including on-costs).

Included in Agency staff costs (see note 7) are costs of £133,184 including VAT (2023-24: £242,891 including VAT) paid to Click EMS Limited. Click EMS Limited is an interim management, quality improvement and leadership recruitment agency working in partnership with UK colleges, independent learning providers and education authorities. One of Click EMS Limited's executive directors is Mr. Colin Smith, who has acted as an independent member of the Corporation since 26 January 2019 serving on both the Corporation's Teaching, Learning and Skills Committee (TLS) and Governance, Search and Remuneration Committee (GSR). Mr. Colin Smith abstains from any College decisions concerning Click EMS Limited to ensure no conflicts of interest arise.

City of Westminster College was one of the original members of the Westminster Business Council, an influential community in London for connecting SMEs, Corporates and the local community. The College continues its membership of the Council and paid £6,000 including VAT in membership fees in 2024-25 (2023-24: £6,000 including VAT). Mrs. Amanda Thorneycroft is a member of the board of directors of Westminster Business Council. Mrs. Amanda Thorneycroft abstains from any College decisions concerning Westminster Business Council to ensure conflicts of interest are managed.

The College is a founding partner of VSPark Limited, trading as Visionnaires. Its aim is to create a college-owned national community of best practice supporting learners of all ages to develop entrepreneurial skills. At 31 July 2024, the College terminated its subscription in VSpark Limited. As a result, in 2024-25 the College paid subscription fees of nil to this partnership (£25,000 in 2023-24). Mr Franklin Asante as a member of the Corporation was a non-executive director of VSPark Limited up to this date. The Conflicts of Interest policy is followed in relation to any conflicts that may arise.

The College has a wholly owned subsidiary called CWC Enterprises Limited. Each year intra-group transactions occur between the College and the subsidiary. During the year, £45,218 in income and £22,279 in non-pay expenditure was transferred from the subsidiary to the College (2023-24 £77,462 in income and £186,969 in non-pay costs), and £107,129 in payroll costs were transferred from the College to the subsidiary (2023-24 £101,404). At 31 July 2025, amounts due from the College to the subsidiary amounted to £112,219 (the subsidiary owed the college £173,641 at 31 July 2024). This is shown in debtors due within one year (Note 13).

25 Learner support funds

	2025 £'000	2024 £'000
Balance unspent as at 1 Aug, included in creditors	1,480	1,103
16-18 bursary grants	456	810
16-18 bursary grants clawed back	(677)	(8)
	1,258	1,905
Disbursed to students	(656)	(408)
Administration costs	(0)	(17)
Balance unspent as at 31 July, included in creditors	602	1,480

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

In the accounting period ended 31 July 2025, the college received a total of £455,964 and disbursed £678,711 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding. As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £601,836.

Comparatives for the accounting period ended 31 July 2024 are £810,476 received from DfE, £448,505 disbursed to learners, and total cumulative unspent funds of £1.479m, of which £677,468 was repaid to the DfE.

26 Events after the reporting period

None.