

Nottingham College

Annual Report and Financial Statements

For the year ended 31 July 2025

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Key management personnel, Board of governors, professional advisors and independent auditor

Key management personnel	Key management personnel were represented by the following in 2024/25: Janet Smith - CEO and Accounting Officer Andrew Comyn – Deputy CEO and Chief Finance Officer Cheryl English – Vice Principal (Learner Journey and Marketing) Emma-Kate Fletcher – Vice Principal (People and Culture) (until 18th July 2025) Ruth Perry – Vice Principal (Innovation and Improvement) Rachel Wadsworth – Vice Principal (Curriculum and Support) Rich Williams – Vice Principal (MIS, IT & Funding)
Board of Governors	A full list of Governors is on page 19-20 of these financial statements. Rachel Robson acted as Director of Governance throughout the period.
Professional advisers	
Bankers:	Barclays Bank PLC PO Box 3333 Snow Hill, Queensway Birmingham B3 2WN
Solicitors:	Shakespeare Martineau 1 Colmore Square Birmingham B4 6AA Stone King Upper Borough Court 3 Upper Borough Walls Bath BA1 1RG
Internal auditors:	RSM UK Risk Assurance Services LLP Fifth Floor Central Square 29 Wellington Street Leeds LS1 4DL
Independent auditor and reporting accountant:	Bishop Fleming Audit Limited Brook House, Manor Drive Clyst St. Mary Exeter EX5 1GD
Principal and Registered Office:	City Hub, 111 Canal Street, Nottingham, NG1 7HB

Strategic Report of the Members of the Corporation (including the operating and financial review)

Objectives and key strategies

The Governing Body presents their annual report together with the financial statements and auditor's report for Nottingham College for the year ended 31 July 2025.

Legal status

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

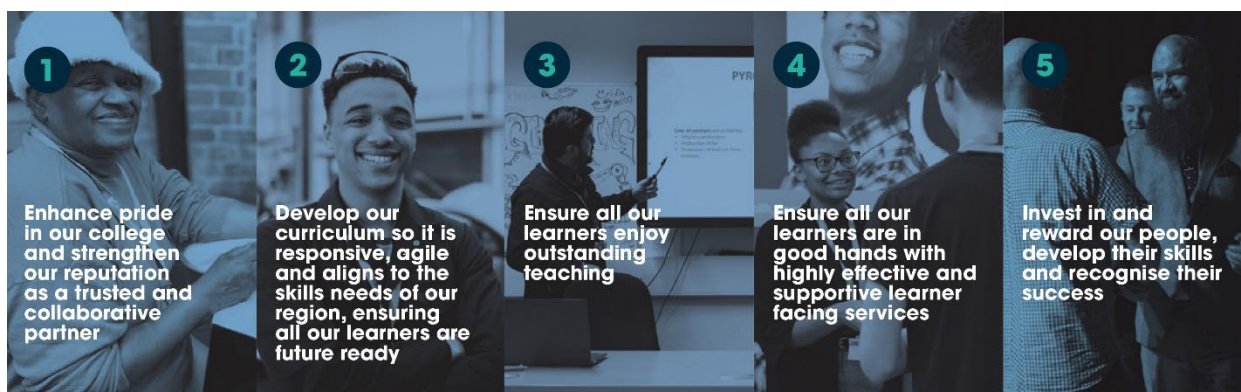
The College was created by the merger of New College Nottingham and Central College Nottingham on 8 June 2017.

Mission

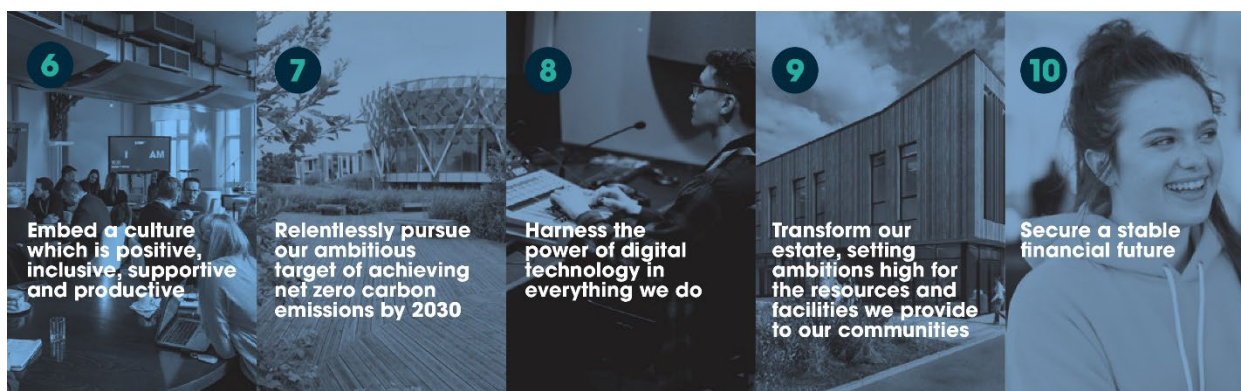
During 22-23 following extensive input from staff, students and stakeholders, Nottingham College produced a strategic plan for the period 2023-2026 entitled "Future Ready". The plan includes the following mission, vision and values;

- The College's Mission is, "we unlock potential through learning".
- The College's Vision is, "we will be recognised as an outstanding provider of choice for education and skills training".
- The College's Values are; Collaborative, Agile, Trusted, Inclusive, Nurturing and Aspirational.

The College's 10 Strategic Priorities are listed and described below;



OUR STRATEGIC PRIORITIES



Strategic Report of the Members of the Corporation (including the operating and financial review)

The College's Strategic Plan can be found here;

[FUTURE READY: College Strategy 2023-26 | Nottingham College](#)

Public Benefit

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

Nottingham College has a commitment to deliver a significant, measurable public benefit, and a full Public Value statement, setting out how the College adds value to the social, economic and physical well-being of the community served by the College can be found on the Nottingham College website.

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

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- Delivering high quality teaching, learning, assessment and support; with a place for everyone, regardless of their educational background;
- Producing learners who are successful and grow in confidence; providing additional support to those who need it;
- Providing information, advice & guidance and developing students to secure sustainable employment;
- Supporting the development of new skills and knowledge to meet the needs of emerging and growth sectors; via a Market Driven curriculum;
- Promoting a culture of equity, diversity and inclusivity, where every individual matters and respects one another in an environment where everyone feels safe;
- Raising ambitions by challenging learners to be the best they can be;
- Maximising strategic partnerships for the benefit of the community including those with the Local Enterprise Partnership, Local Authorities, key stakeholders, new & existing employers and colleges;
- Reflecting the needs of the community including learners and employers in the range of the education and training offer;
- Valuing our people and supporting them to be the best they can be;
- Gathering, listening to and acting on feedback from our learners;
- Maximising business efficiency, delivering financial viability and value for money;
- Continuous improvement through critical self-evaluation and improvement.

Public Value

The college creates opportunities to progress by offering clear pathways from education to employment and from entry to degree level, exploiting the college's strong entry level offer and investment in student support and pastoral care. We will continue to invest in specialist staff, facilities and competences to respond to employers' needs, to serve changing and growing markets to meet local, regional and national priorities and enhance social mobility.

All the college's curriculum sectors have described pathways to further or higher study, leading to progression and positive destinations which remain high at over 90% overall, benefiting individual students, society and business.

The college's students contribute to society as positive citizens. Through renowned employer engagement programmes, the college equips students with professional skills, knowledge, attitudes and behaviours along with confidence in career planning. Maths, English, digital literacy, citizenship, enterprise and resilience are embedded in all study programmes to ensure students are fully prepared for future success in work and life.

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We actively consult large and small organisations to understand the knowledge, skills and behaviours required to drive up productivity and address local need. Through this process, the college positions itself as a key partner in driving up local prosperity through meeting needs across our key priority and high employment sectors.

The college positions itself as a key partner in driving up social and economic prosperity through addressing the local productivity gap (current GVA output is 10% below the national average) and the local unemployment challenge (the city has a claimant count higher than the county, regional and national averages). To achieve this, we ensure our curriculum offer is labour market responsive, aligned to new technologies and innovations and offers learners viable routes into meaningful and sustainable employment.

Estates Strategy

During 2024-25 the Corporation approved a new Estates Strategy 2025-28 following early completion of the previous strategy. The vision of the new strategy is to develop an estate that is fit for purpose, technologically advanced, future-proofed, cost efficient and sustainable, that provides a learning, teaching, social, and working environment that meets the needs of current and future students, staff and commercial clients.

Over the preceding five-year period the College's estate has benefitted from investment of over £85m into estates development. This strategy is aligned with the College's and sector's current financial and funding circumstances, which assumes limited availability of capital for estates development between 2025 and 2028.

A link to the College's Estates Strategy 2025-2028 can be found here: [Estates Strategy 2025-2028](#)

Financial Strategy

The reclassification of colleges as public sector bodies in November 2022 removed the ability for colleges to borrow from commercial lenders. In July 2024, this resulted in the College refinancing its borrowing with Barclays Bank of £6.0million with the DfE, in addition to a further £6.9million of borrowing already financed by the DfE. The two DfE loans totalling £12.9m are due to be repaid by 2 August 2027, or a later date to be determined by the DfE following the affordability review to be completed by 31 May 2027. The College has agreed a capital repayment holiday on the DfE borrowing for 3 years with the first repayment to start on 18 October 2027, subject to the outcome of the affordability review. Interest is charged at the Public Works Loan Board (PWLb) Standard Rate, which changes each year on 1 April. The PWLB SR for 2024-25 is c.5.6%.

As part of the July 2024 refinancing, the College, DfE and Nottingham City Council agreed that the borrowing would have two financial covenants in place: 1. the level of debt service compared to cash generated from operations; and 2. a minimum cash balance at 31 July each year.

As a result, the College's strategic financial objectives are to ensure that:

- Cash generated from operations are above the covenant value; and
- Minimum cash balances are above the covenant value at 31 July each year.

Further to achievement of the annual financial covenants, Corporation supported the introduction of a financial strategy in January 2025 to grow cash reserves to build resilience and provide long-term financial sustainability for the College, and enable repayment of DfE borrowing to restart in October 2027 after the 3-year capital repayment holiday agreed in the July 2024 refinancing.

OFSTED Visit and Report

Nottingham College's most recent full Ofsted inspection report confirms that the college is now a GOOD college (an improvement on the previous Requires Improvement judgement from January 2020), a result that recognises the pace of change and improvement the college has undergone in recent years.

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The inspection took place in early December 2022 when a team of 19 inspectors visited the college and spent four days going into classrooms, observing lessons and meeting with students, teachers, staff, managers, employers and community stakeholders.

The OFSTED grade recognises the college's emphasis on being an outward facing, trusted and collaborative partner locally and regionally and our continued commitment to this role in the future.

The full OFSTED report can be found here – [Nottingham College - Open - Find an Inspection Report - Ofsted](#)

The college received an overall Outstanding grade (Outstanding in all measures) for its residential provision from Ofsted in February 2024. The college nursery also received an overall Good grade for its childcare and early education provision following an inspection in October 2024.

Resources

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

Financial

The College has positive net assets of £39.7million, including total borrowings of £27.0million. There were net current liabilities at July 2025 of £5.6million (2023-24 net current liabilities of £4.2million), £3.4m of which relate to deferred income from Government capital grants, which is a non-cash item, as well as a further £4.8m of unspent capital grants that will largely be spent in 2025-26. Tangible resources include a number of college sites across Nottingham City and Nottinghamshire, which are mainly owned.

People

The College employs 1,210 people (expressed as full time equivalents), of whom 810 are teaching and teaching support staff.

Student numbers

In 2024/25 the College has delivered activity that has produced £79,089,000 in funding body main allocation funding (2023/24: £67,569,000). Nottingham College engaged with 19,114 students, including 2,064 apprentices, 7,639 full time 16-18 year olds, 485 higher education students, and 9,759 adult ESFA-or loans-funded enrolments, as well as further students in community, family, commercial, pre-16 or international learning (students may enrol on more than one programme across the year, so the sum of the enrolments is greater than the total number of students).

Reputation

The College is working with key local and regional stakeholders to continue to enhance its reputation, as evidenced in the latest OFSTED inspection grades and this is one of the college's strategic priorities.

Stakeholder relationships

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

- Current, future and past students
- Staff and their trade unions
- Governors
- Local MPs
- Funding Agencies
- Local Enterprise Partnerships
- Local & national employers and representative bodies
- Local Authorities including the Combined County Authority & Government Offices
- Corporate partners (banks, solicitors, auditors)
- The local community
- Sports clubs and bodies
- Schools and universities
- Other FE institutions
- Partner training providers

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- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with them through the College website, regular publications and by meetings.

Development and Performance

Financial Results

The Group generated a surplus before other gains and losses in the year of £3,362,000 (2023/24: operating surplus of £2,100,000), with total comprehensive income of £3,313,000, (2023/24 £1,676,000) and education specific Earnings before Interest Tax Depreciation and Amortisation (EBITDA) of £6,815,000 (8.15% of income) (2023/24 £5,922,000, 7.92% of income), as set out in the reconciliation below.

	2025 £'000	2024 £'000
Total Comprehensive Income for the year	£3,313	£1,676
Deduct;		
Capital Grant release	(£3,751)	(£2,232)
LGPS Actuarial (Gain)/Loss	£141	£451
EPP Actuarial Gain	£47	(£17)
Interest Receivable	(£307)	(£275)
Gain on Asset Sale	(£139)	(£10)
Add back;		
LGPS Service Cost	(£149)	(£374)
Loss on Asset revaluation	£0	£0
EPP Service Cost	£80	£90
Depreciation	£6,395	£5,040
Interest Payable	£1,185	£1,571
Rounding	£0	£2
Education specific EBITDA at 31 July	£6,815	£5,922

Developments

In 2023 the College launched its Future Ready Strategy 2023-2026. The College continually looks to align its resources to meet strategic priorities, which involves identifying savings and grant opportunities and allocation of funding for investment into curriculum management, digital infrastructure and use of artificial intelligence, teaching and learning projects, the learner journey and support for students, staff pay and development, as well as capital investment into our estate and facilities.

Reserves

The Group has a surplus on unrestricted reserves of £39,669,000 and cash balances of £12,863,000, of which £4,854,000 relates to unspent capital grants. The Group wishes to continue to accumulate reserves and cash balances in order to create a contingency fund and to re-invest in resources.

The College reserves include £71,000 held as restricted reserves. The Group has accumulated Income and Expenditure reserves of £35,620,000 (2024 £32,047,000) and cash and short term investment balances of £12,863,000 (2024 £15,412,000).

Sources of income

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024-25 the FE funding bodies provided 88% of the Group's total income (2023-24 86%).

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Group companies

The College has two subsidiary companies; Nottingham College Services Limited and EMTEC Colleges Limited. During 2024-25 EMTEC (Shanghai) Limited was solvently liquidated. The activities of all 3 subsidiaries have been consolidated into the group accounts. Any surpluses generated are transferred to the College under Gift Aid.

Future Prospects

Curriculum developments

Following a succession of mergers, Nottingham College is the only general further education (GFE) college in the city. Nottingham College exists to unlock potential through learning, providing education and training that empowers our region's residents to secure rewarding careers and contribute to economic growth. Our strategic priorities, as outlined in our Strategic Plan 2023-2026, focus on developing a responsive curriculum that aligns with regional skills needs while ensuring all students are future ready.

Since publishing our Strategic Plan, we've made significant progress in addressing skills gaps identified through our Local Needs Duty review. We've witnessed encouraging growth in student numbers across key sectors, with a 14% increase in STEM-related enrolments and expanded provision in construction, digital and healthcare. Our Ofsted rated "Outstanding" residential apprenticeship programme and award-winning ESOL provision demonstrate our commitment to excellence.

Significant developments include the completion of our new Construction Skills Centre and specialist SEND Gateway facility at our Basford campus, enhancing our capacity to deliver in high-demand areas. We've also established ourselves as a Microsoft digital innovation pioneer and secured partnerships with major employers including East Midlands Airport, Notts County FC, and Halfords.

Our approach to the Local Needs Duty has informed a comprehensive review of our curriculum offer. Through extensive engagement with employers, stakeholders and learners, we've gained valuable insights into the evolving skills landscape of our region. This has led to targeted investments in areas of growing demand while ensuring our provision remains accessible to all communities, particularly those facing significant socioeconomic challenges.

Our commitment to achieve a stronger alignment between further education provision and local employment needs informs our curriculum planning process, ensuring we take an evidenced-based approach that is collaborative, and focused on improvement by looking back as well as looking forward. We produce a live curriculum lens document annually that provides the direct link between our chosen curricula and evidenced local need, to drive scrutiny and challenge throughout our curriculum planning process. This cumulates in a Curriculum Gateway process, that sets measurable curriculum development aims by faculty area.

The formation of the East Midlands Mayoral Combined County Authority (EMCCA) presents new opportunities for collaborative approaches to skills development. As a college, we've positioned ourselves as a key strategic partner, contributing to regional conversations about skills, employment and economic regeneration. Our strong presence on the LSIP steering group enables us to influence regional skills strategies while ensuring our curriculum continues to adapt to emerging economic priorities.

The communities we serve are the City of Nottingham and surrounding County areas within the East Midlands Combined County Authority / LSIP area of D2N2 (Derbyshire, Derby, Nottinghamshire and Nottingham). Within D2N2, our locality is defined by looking primarily at the travel to learn patterns of learners: 53% of our learners are from within the City of Nottingham, with a further 31% from South of Nottinghamshire and 9.5% from the North. 6% of learners travel from across South, West and East Derbyshire and the college also serves a small number of learners from the wider East Midlands region (Leicestershire, Lincolnshire and Northamptonshire) and national locations through online and work-based learning.

Nottingham College operates within one of the most challenging socioeconomic environments in the country, serving communities that face multiple, interconnected barriers to education and employment. The city ranks 11th in the Indices of Deprivation and 6th in the Income Deprivation Affecting Children Index (IDACI), with 30.8% of its Lower Super Output Areas falling within the top 10% most deprived nationally.

Strategic Report of the Members of the Corporation (including the operating and financial review)

Nottingham College's curriculum offering has been strategically developed to align with the skills needs and priorities identified in key regional strategic documents: the Derbyshire & Nottinghamshire Local Skills Improvement Plan (LSIP), the East Midlands Combined County Authority (EMCCA) ASF Strategic Skills Plan, and Nottingham's Economic Plan for Growth 2024-2030.

Our work also actively contributes to the Government's five missions for Britain:

- Secure the highest sustained growth in the G7
- Make Britain a clean energy superpower
- Build an NHS fit for the future
- Make Britain's streets safe; and
- Break down barriers to opportunity.

To deliver ongoing alignment with labour market needs and to fulfil our promise to offer our learners a Future Ready curriculum, we have identified key actions to improve and further embed the college as a key partner in driving up productivity. We will:

- Introduce new courses and pathways within the Digital sector that better serve the current needs of the industry and skill shortages, including Coding and AI
- Ensure that our Health and Social Care offer supports the future workforce into employment and addresses skills shortages in the area, including digital skills.
- Increase the number of students studying Life Sciences related subjects and the Science routes available for students to study, which reflect national and regional priorities.
- Integrate key new Manufacturing and Engineering skills into the curriculum, such as robotics, coding and sustainable practices.
- Develop a green skills curriculum offer that meets the needs of national priorities and regional employers, to ensure the future workforce develops the key green skills to support the local net zero ambition.
- Facilitate opportunities for curriculum staff to upskill and develop new knowledge, relevant to their industry area.
- Provide students with industry experiences, so that they are well informed about their opportunities and are better prepared to progress into employment or further learning.
- Work with key stakeholders and long-established partners to provide industry-informed curriculum, providing collaboration opportunities with regional stakeholders to meet regional and national priorities.

Financial plan

The College Board supported the financial strategy introduced in January 2025 to grow cash reserves to build resilience and provide long-term financial sustainability for the College and enable repayment of DfE borrowing to restart in October 2027 after the 3-year capital repayment holiday. The financial strategy formed the basis of the 3-year financial plan 2024-25 to 2026-27, including the 2025-26 budget, which was approved by the College Board on 2 July 2025.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a treasury management policy in place as part of its Financial Regulations.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash flows and liquidity

During 2024-25 there was a net cash outflow of £2,549,000. In 2023-24 there was a net cash inflow of £3,770,000. Net cash flow generated from operating activities has however been consistently high, being above £5.5m in both years.

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Going Concern

The College's financial position and going concern status

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

These show that the College achieved a healthy education specific EBITDA of £6.8m in 2024-25 and generated c.£7.8m of cash from operations, continuing the trend of delivering a strong operating performance with EBITDA and cash generated from operations of over £5m for the fourth year in succession. This enabled the College to repay £1.6m of borrowings, plus a further £1.2m of interest, to lenders as planned in 2024-25, as well as investing £9.3m into capital projects, net of grant income. The College has also met all the covenants in place with lenders at 31 July 2025. The consistently strong cash generation from operations along with the ability to reduce future investment into discretionary capital projects mitigates the risk arising from the college's net current liabilities position at July 2025 of £5.6m, £3.4m of which related to deferred income from Government capital grants, which is a non-cash item.

In February 2022, the College completed a refinancing exercise with its lenders, Barclays Bank, Department for Education (DfE) and Nottingham City Council. The commitment terms agreed with Barclays Bank and DfE were relatively short-term, resulting in the College having to refinance the outstanding balloon repayment balances on or before 1 August 2024. On 26 July 2024 the Barclays Bank borrowing was repaid in full by the College, using funds from a new reclassification loan provided to the College by the DfE, being the only lender available to the College following the reclassification of Further Education colleges into the public sector announced by the Office for National Statistics on 29 November 2022. The DfE also extended their existing borrowing arrangements that were in place. The two DfE loans totalling £12.9million are due to be repaid by 2 August 2027, or a later date to be determined by the DfE following the affordability review to be completed by 31 May 2027. The College has agreed a capital repayment holiday on the DfE borrowing for 3 years with the first repayment to start on 18 October 2027, subject to the outcome of the affordability review.

The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons.

Based on a set of assumptions that have been robustly tested, the College has prepared forecasts for more than 12 months into the future. In line with the financial strategy which was supported by Board in January 2025 and underpins the College's 3-year financial plan approved by Board in July 2025, cash balances are set to grow to build resilience and provide long-term financial sustainability for the College, and enable repayment of DfE borrowing to restart in October 2027 after the 3-year capital repayment holiday. The forecasts show that the cash balance will remain healthy during the next 12 months, with unrestricted cash days in hand forecast to be 34 at year ending 31 July 2026, and a minimum of 21, equating to £4.9m, during this 12-month period.

Taking account of plausible downsides, mitigations and the change to the accounting treatment arising from the FE HE Statement of Recommended Practice (SORP) changes effective for the year starting 1 August 2026, it is reasonable to consider that College will have sufficient funds to meet its liabilities as they fall due over the period covering at least 12 months from the date of approval of the financial statements, and that the College will remain in compliance with its loan covenants at 31 July 2026.

Accordingly, the Corporation considers there is a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future, and for this reason continues to adopt the going concern basis in the preparation of its financial statements.

Principal risks and uncertainties

The College has well developed strategies to embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets, reputation and financial stability. The Board has

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overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

During 2023-24, the Board has strengthened its risk framework following an in-year review of its risk approach, specifically to assess the risks in not achieving the College's Future Ready 2023-26 Strategy. The Board identified 13 strategic risk themes, driven by the strategic priorities, against which they have assigned a risk appetite, which was approved in July 2023.

The Risk Management Group, Executive Leadership Team and Audit Committee review the Strategic Risk Register at least four times per year to determine if updates are required. The Strategic Risk Register and risk appetite levels are reviewed at each Board meeting alongside the progress being made by the College in achieving its strategic priorities.

Based on the strategic plan, the Risk Management Group undertake a comprehensive review of the operational risks to which the College is exposed. The operational risks are linked to the strategic risks in the Strategic Risk Register. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented, and the subsequent appraisal will review their effectiveness and progress against risk mitigation actions. The Risk Management Group will also consider any new or emerging risks as they arise.

Both strategic and operational risk registers use a standard template which identifies the risk, the likelihood of the risk occurring, the potential impact on the College and the actions being taken to reduce and mitigate the risk. Risks are prioritised using a likelihood multiplied by impact scoring system set out in the College's Risk Management Policy, which is reviewed every two years. Training is undertaken periodically to raise awareness of risk throughout the College.

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

1. Risk of insufficient cash reserves threatens viability of College

The risk that changes in college financing and funding agreements, or reductions in enrolment, or increasing costs are incurred, or poor financial planning, financial management and control, or an unforeseen financial event could threaten the College's viability due to insufficient cash reserves.

a. Income and Government Grant Funding

The College has considerable reliance on continued government funding through the further education sector funding bodies and through Office for Students. In 2024-25 88% (23-24 86%) of the College's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College has based its forecasts on steady state DfE (16-18) funding and Adult Skills Funding. Apprenticeship funding at 16-18 and adult levels is assumed to increase internally, and there is a risk that this increase in activity may not be funded or achieved. The College is not planning on using sub-contractor partners for delivery of adult or apprenticeship provision from 2025-26 and onwards.

While the outcomes of the reviews of curriculum reforms and post 16 education have just been published, the impact remains uncertain as they are likely to give rise to future programme delivery and funding changes, but the College remains responsive in adapting to a number of these scenarios. No overall reduction in funding is currently anticipated.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- The College continues to benefit from increasing 16-17 year-old demographics and continues to strive for improvements in quality which will improve student recruitment and increase financial benefits for the College;
- College apprenticeship provision is made up of a mix of larger employers who are subject to the Employer Levy, and SME employers who are not;
- Robust future planning, horizon scanning and marketing strategy to ensure all opportunities are optimised; and

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- Ensuring the College is focused on those priority sectors and identifying opportunities for income diversification.

b. Risk of cost pressures or failure to achieve efficiency targets

The College faces a number of financial pressures in line with most colleges in the sector. There are a number of ongoing efficiencies which need to be delivered to achieve the financial plan and added pressures e.g. from inflation, pay expectations, pension rate and national insurance increases.

This risks are mitigated in a number of ways:

- By ensuring the College is rigorous in developing an efficient curriculum delivery plan which recognises the contribution by course;
- Detailed financial planning including sensitivity analysis;
- Maximising efficiencies from centralised procurement and embedding value for money across the organisation;
- Maximise efficiencies through the use of technology and the streamlining of processes; and
- Comprehensive budget monitoring, forecasting and intervention plans, if required.

2. Failure to develop a motivated, high performing workforce resulting in impacts on students and staff

The College is not immune to the challenges faced by the sector in recruiting and retaining highly qualified technical staff. The transformation process to embed flexible modern employment contracts and effective staff development can create a number of risks due to the scale of change required and the impact on staff.

This risk is mitigated in a number of ways:

- Staff engagement and internal communication strategy;
- Continued investment into staff pay;
- Ongoing focus on culture to make the college a great place to work;
- Collaboration and negotiation with trade unions;
- Comprehensive professional and legal advice; and
- Continuous professional development of teaching and non-teaching staff.

Performance indicators

The College is committed to observing the importance of sector measures and indicators. The College is required to complete the annual Finance Record for the Department for Education ("DfE"). The Finance Record produces a financial health grading. Based upon the DfE assessment, the financial health of the College is "Requires Improvement" for 2024-25 largely as a result of the adjusted current ratio, calculated after adjusting for cash held at the year end in the form of unspent capital grants.

The college's key performance indicators, targets and results are set out below.

Key Performance Indicator	Measure/Target	Actual for 2024/25
EBITDA as % of income	6.91%	8.15%
OFSTED Rating	Good	Good
Financial Health Grade	Requires Improvement	Requires Improvement
Staff Costs as % of Income	69.48%	70.25%
16-18 Student Numbers	7,042	7,639
Apprentice New Starts	750	686

Student achievements

For classroom based provision, the College achievement rate for 2024-25 increased to 88.1% compared to 2023-24 at 85.4%, and the overall apprenticeship achievement rates increased to 58.7% for 2024-25 from 55.6% in 2023-24. Retention (for classroom based students) was 93.6% compared to the target of 94.0% in 2024-25.

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Equality statement

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive 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. The College's Equality, Diversity and Inclusion Policy is published on the College's website.

The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. 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, as far as possible, provide identical opportunities to those of non-disabled employees.

During 2020-21, the College signed up to the Association of Colleges Mental Health and Wellbeing Charter. The College was delighted to win the Association of Colleges Beacon Edge Award in 2022-23 for Mental Health and Wellbeing of our students and Staff. The award acknowledges our response to the pandemic, our enhanced support and resources for students and for our commitment to promoting a range of wellbeing initiatives amongst our staff.

In addition, the College has been recognised for our online provision now on offer to employers and wider communities in our region, which includes a range of Level 2 courses on suicide and self-harm prevention, eating disorders, mental health awareness, and more. The Beacon Awards recognise best in practice across the sector and this award places Nottingham College at the forefront of proactive wellbeing management.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010:

- 1 The College has a specialist student support team, who can provide information, advice and arrange support where necessary for students with 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.
- 2 There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- 3 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.
- 4 Specialist programmes are described in College prospectuses.
- 5 Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets 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

Numbers of employees who were relevant period	FTE employee number
50 to 1,500 employees	1,210

Percentage of time	Number of employees
0%	0
1-50%	15
51-99%	0
100%	0

Strategic Report of the Members of the Corporation (including the operating and financial review)

Total cost of facility time	£30,780
Total pay bill	£55,528,000
Percentage of total bill spent on facility time	0.06%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

Gender Pay Gap Reporting

	Year ending 31 March 2025
Mean gender pay gap	6.08%
Median gender pay gap	7.99%
Mean bonus gender pay gap	10.29%
Median gender bonus gap	8.14%
Proportion of males/ females receiving a bonus	91.96%/92.55%

The proportion of males and females in each quartile of the pay distribution are:			
Quartile	Males	Females	Description
1 (lowest)	30.00%	70.00%	Includes all employees whose standard hourly rate places them at or below the lower quartile.
2	30.00%	70.00%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median.
3	36.00%	64.00%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile.
4 (highest)	45.00%	55.00%	Includes all employees whose standard hourly rate places them above the upper quartile.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 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. During the accounting period 1 August 2024 to 31 July 2025, the percentage for the College was 72%.

Streamlined Energy and Carbon Reporting

The college is committed to reducing its carbon footprint and being recognised as an environmentally friendly and sustainable organisation, as highlighted by the inclusion of the strategic objective to relentlessly pursue our ambitious target of achieving net zero carbon emissions by 2030 within the College's Future Ready 2023-26 Strategy.

The college has put in place a Sustainability Strategy, titled Zero [Sustainability-Strategy-2023.pdf](#) to help achieve this target to reduce carbon emissions. The college has set up a Green Group comprising staff from across different college campuses who work together to embed a sustainability culture in the college. Significant achievements over the last year at Highfields Campus include;

- Installation of a Solar PV array to displace some of the electricity consumed and reduce the REGO kWh's consumed from the grid
- Gas fired heating has been replaced with air source heat pumps removing gas from the campus
- The installation of a new BEMS to further improve the efficiency of the new heating system
- Pipework has been insulated throughout to eliminate waste heat
- Energy Efficiency upgrades have been made to the ventilation system
- The installation of LED lighting in all classrooms and offices

Strategic Report of the Members of the Corporation (including the operating and financial review)

At Adams Campus a number of Decarbonisation and Energy Reduction improvements have been made over the last 12 months, including;

- Gas fired heating replaced with a connection to Nottingham City's District Heating system, which is fuelled by incinerated waste
- The installation of a new BEMS to ensure the optimum efficiency of the new heating system
- Pipework has been insulated throughout to eliminate waste heat
- Energy Efficiency upgrades have been made to the ventilation system
- The installation of LED lighting to some classrooms

In addition, at the City Hub and High Pavement Campuses upgrades have taken place to optimise the current systems installed within the properties including;

- The installation of a new BEMS to further improve the performance of the existing heating systems
- Energy Efficiency upgrades have been made to the ventilation system (at High Pavement)
- The City Hub team has taken proactive steps to reduce unnecessary energy use, such as switching off unused equipment and increasing awareness of energy consumption across the site. As a result of these efforts, our District Heating energy consumption at City Hub has decreased from 865.23 MWh to 802.68MWh compared to last year

The college has recently put in place a long term sustainability action plan with 24 recommendations which will be monitored by a new Environmental and Sustainability Executive Committee and the Board.

In addition, the college has taken the following measures in the year to improve energy efficiency:

- Continued a Salix sponsored Decarbonisation Project on Adams and Highfields buildings
- 2 diesel vans have been replaced for non-carbon emissive electric equivalents

The Gross Internal Area (GIA) increased from 76,101m² to 77,409m² following the addition of two new buildings in the City Centre to expand classroom capacity. Despite this expansion, the college has strategically offset potential increases in energy demand by closing two older, less energy-efficient buildings. At the same time, we've opened the **Gateway** and the **Construction Skills Centre** at our Basford site – both designed with modern, energy-efficient systems.

Nottingham College has continued to focus on reducing the annual amount of waste sent to Landfill and the overall water usage. Throughout 2021 and 2022, we have worked to ensure 100% of water is either recovered or recycled. In April 2022, the reported recycling rate had improved to 55% with general waste falling to 45%. All general waste is fully recovered and sent to incineration where 1 tonne of refuse produces 550 KW of energy. The City Hub and now Adams Campus is connected to Nottingham's district heating system, which is fuelled by incinerated waste, including that recovered by the College.

The college's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2025 UK Government's Conversion Factors for Company Reporting are as follows:

Strategic Report of the Members of the Corporation (including the operating and financial review)

Greenhouse gas emissions and energy use data for the period 1 August 2024 to 31 July 2025	Current reporting Year 2024 to 2025	Comparison reporting year 2023 to 2024
Energy consumption used to calculate emissions (kWh)	11,219,695	10,323,921
Energy consumption break down (kWh)		
Gas	5,025,777	4,524,761
Electricity	5,747,940	5,437,170
Transport fuel	445,978	361,990
Scope 1 emissions in metric tonnes CO₂e		
Gas	919.52	827.85
Owned transport	8.68	9.15
Total scope 1	928.20	837.00
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	1,017.39	962.38
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	57.60	45.18
Total gross emissions in metric tonnes CO₂e	2,003.19	1,844.56
Intensity Ratio		
Tonnes CO ₂ e per member of staff (FTE)	1.66	1.64

Events after the end of the reporting period

In August 2025 the College vacated the leased premises at London Road which had been used for automotive curriculum delivery. This delivery will now take place at the Highfields campus. In September 2025 the College entered a lease with the University of Nottingham to service the growth in demand for Youth Guarantee and Kings Trust provision. The College was delighted to win the Environmental Association for Universities and Colleges (EAUC) prestigious UK and Ireland Green Gown Awards in November 2025 for Sustainability Institution of the Year.

The college were notified by the DfE on 30th October 2025 that the DfE had appointed Validera to undertake a funding assurance review of DfE funded provision for the 2024 to 2025 funding year. Whilst this review was taking place, the Corporation were unable to approve the financial statements, and the college's external auditors Bishop Fleming were unable to conclude their opinion on the audit of the college's financial statements, until the review was completed. As a result of the review, the DfE granted the college an extension to submit the financial statements and all accompanying documents to DfE by 31 March 2026. The funding assurance review was completed in March 2026 and these financial statements have been amended to incorporate a provision to recognise the small funding clawback, amounting to approximately 0.1% of the total funding audited as part of the funding assurance review, in full.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 25th March 2026 and signed on its behalf by:

Carole Thorogood:
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.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the FE 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 Board on 2nd July 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code issued by the Association of Colleges in 2023, which it formally adopted on 3rd July 2024.

Statement of Corporate Governance and Internal Control

The Corporation

The members who served 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 expiry date	Date of retirement/ resignation	Status of appointment	Committees served in 24/25	Corporation Attendance 24/25
Carole Thorogood (Chair 24/25 and 25/26 from date of re-appointment)	8 June 2017 1 Aug 2021 25 Nov 2025	31 July 2021 31 July 2025 31 July 2026	31 July 2025	Independent	Governance & Search, Remuneration, Finance & Assets,	5 out of 5
Sarah Akhtar	6 Sep 2022	31 July 2026	18 Aug 2025	Independent	Audit	2 out of 5
Clare Avery	1 Aug 2024	31 July 2028	8 Dec 2025	Independent	Finance & assets, Learning & Quality	3 out of 5
Kirsty Bailey	1 Aug 2022 1 Aug 2024	31 Jul 2024 31 Jul 2026		Staff Governor	Learning & Quality	5 out of 5
Andy Batty	1 Aug 2024	31 July 2028		Independent	Audit	5 out of 5
Simon Bedford	1 Aug 2021 1 Aug 2025	31 July 2025 31 July 2029		Independent	Audit	5 out of 5
Sultana Begum	16 Oct 2023	31 Jul 2025	31 July 2025	Staff Governor	Learning & Quality	2 out of 5
Anja Beriro	16 April 2018 1 Aug 2021	31 July 2021 31 July 2025	31 July 2025	Independent	Governance & Search	3 out of 5
Andy Griffin	25 Jan 2021	24 Jan 2025	24 Jan 2025	Independent		0 out of 2
Patricia Harman	30 March 2020 1 Aug 2023	31 July 2023 31 July 2027		Independent	Governance & Search, Learning & Quality	5 out of 5
Yvonne Kelly	1 Aug 2024	31 July 2028		Independent	Audit, Learning & Quality	5 out of 5
Freya Neve Kiel	16 Oct 2024	31 July 2025	31 July 2025	Student Governor	Learning & Quality	4 out of 5
David Marlow (Vice Chair 24/25, Chair 25/26 to date of resignation)	1 Aug 2023	31 Jul 2027	17 Nov 2025	Independent	Governance & Search, Remuneration, Finance & Assets	4 out of 5
Yultan Mellor	1 Aug 2024	31 July 2028	9 Dec 2024	Independent	Learning & Quality	1 out of 1
Liz Mossop (Vice Chair 25/26)	1 Aug 2022	31 July 2026		Independent	Remuneration, Learning & Quality	4 out of 5
Andrew Simpson	25 Jan 2021 25 Jan 2025	24 Jan 2025 24 Jan 2029		Independent	Finance & Assets	5 out of 5
Janet Smith	1 July 2022	N/A		CEO/Principal	Learning & Quality, Governance & Search, Finance & Assets	5 out of 5
Helen Smurthwaite	28 Mar 2022	27 Mar 2026	27 Jan 2026	Independent	Audit, Remuneration	5 out of 5
Kyle Thompson-Young	16 Oct 2023 16 Oct 2024	31 Jul 2024 31 Jul 2025	31 Jul 2025	Student Governor	Learning and Quality	5 out of 5
Andrew Unitt (Vice Chair 24/25)	16 Apr 2018 1 Aug 2021 1 Aug 2025	31 July 2021 31 July 2025 31 July 2026		Independent	Governance & Search, Finance & Assets, Remuneration	5 out of 5
Steve Wooler	1 Aug 2022	31 July 2026		Independent	Finance & Assets	4 out of 5
Craig Elder	1 Aug 2025	31 Jul 2029		Independent	N/A	N/A

Statement of Corporate Governance and Internal Control

Helen Ma	1 Aug 2025	31 Jul 2029		Independent	N/A	N/A
Ben Smithwell	1 Aug 2025	31 Jul 2029		Independent	N/A	N/A
David Wainwright	15 Oct 2025	31 July 2027		Staff Governor	N/A	N/A
Raphael Bedi	15 Oct 2025	31 July 2026		Student Governor	N/A	N/A
Collicia McCarthy	15 Oct 2025	31 Jul 2026		Student Governor	N/A	N/A

Rachel Robson served as Director of Governance; this role has replaced the traditional ‘Clerk to the Corporation’ role.

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 met 5 times in 2024/25.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Governance & Search, Audit, Finance & Assets, Learning & Quality, and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College’s website www.nottinghamcollege.ac.uk or from the Director of Governance at:

Nottingham College
City Hub
111 Canal Street
Nottingham
NG1 7HB

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

All governors are able to take independent professional advice in furtherance of their duties at the College’s expense and have access to the Director of Governance, who is responsible to the 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 meetings using a governors’ portal. Briefings may be 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 appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance and Search Committee, consisting of four members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation’s consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Statement of Corporate Governance and Internal Control

Members of the Corporation are appointed for a term of office not exceeding four years. The Corporation monitors terms of office and succession planning through the Governance and Search Committee. In accordance with the Code independent governors are appointed for a term of office of 4 years with the potential for appointment for a further term of 4 years. Any additional term of office will only be considered in exceptional circumstances. A recruitment process was undertaken during 24/25 for the appointment of new independent governors which was supported by Peridot Partners.

Corporation Performance

The Corporation undertakes a rigorous annual self-assessment process to review its performance, that of its committees and of individual governors. The process includes a review of performance against the Code. The self-assessment report for 24/25 was considered by the Corporation at the meeting on 10th December 2025 along with an improvement plan to be implemented through the remainder of 25/26. Overall effectiveness for the year ended 31st July 2025 was considered as 'strong', with areas for further improvement identified. Progress against identified actions will be tracked through the Governance and Search Committee and reported to Board.

The most recent external governance review was undertaken in autumn 2023 by Governance4FE. The Corporation is now considering potential reviewers for the next external review to take place in autumn 2026.

The Corporation is committed to ongoing training and development. Training is provided for governors on areas identified as requiring development and an induction programme is in place for newly appointed governors. Training and development undertaken by governors in 24/25 included safeguarding, sexual harassment prevention, FE funding streams, strategic risk, the new Ofsted framework, attendance by student governors at the Unloc student governor festival and attendance at AoC governor events. The Corporation has identified mandatory online training for all governors that is undertaken on appointment and at regular intervals during membership, these sessions are on safeguarding, Prevent, EDI and GDPR. The Board ensures that the Director of Governance undertakes appropriate training and development; during 24/25 this included regular attendance at AoC regional governance professionals' meetings, attending the AoC governance professionals conference, attendance at a conference on governance in education at University of Sunderland and webinars with Stone King, RSM and Eversheds Sutherland.

Remuneration Committee

Throughout the period ended 31 July 2025 the college's Remuneration Committee comprised five members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel. The College has adopted the AoC's Senior Staff Remuneration Code. Details of remuneration for the period ended 31 July 2025 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises up to five eligible members of the Corporation (excluding the Accounting Officer and Chair) and up to two co-opted members (if appointed). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on at least 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.

Statement of Corporate Governance and Internal Control

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

Committee Member	Meetings Attended
Sarah Akhtar	1/5
Andy Batty	5/5
Simon Bedford	3/5
Yvonne Kelly	5/5
Helen Smurthwaite	5/5
Jon Hawley (co-opted)	2/5
Paul Beeson (co-opted)	3/5

All Audit Committee meetings during the year were quorate and overall attendance was 69%.

The internal audit service for 24/25 was provided by RSM, who undertook six reviews in the following areas;

- Business Continuity
- Incident Management
- Safeguarding
- Risk Management Deep Dive
- ESFA Funding Rule Compliance
- Follow Up

The internal audit plan for 24/25 was driven by the College's key risks.

All recommendations have been responded to or commented on by management and the Audit Committee reviews progress in management implementing internal audit report recommendations at every meeting.

The external audit service was provided by Mazars who attended Audit Committee and Board meetings in December 2024. The College conducted a tender process during 24/25 for the provision of external audit services. The Corporation approved the award of a three year contract to Bishop Fleming commencing with the work for the year ended 31st July 2025. Bishop Fleming attended the Audit Committee on 30th June 2025 to present the Audit Plan 25/26.

The Audit Committee is satisfied that as a result of its work, and that of the internal auditor in relation to risk management, the College has sound risk management arrangements giving substantial assurance that the risks facing the College were identified and managed appropriately.

Learning and Quality Committee

In 24/25 the Learning and Quality Committee comprised of four external members of the Corporation, the CEO/Principal, two staff governors and two student governors. The Committee operates under Terms of Reference approved by the Corporation.

The Learning & Quality Committee met four times in 24/25. The primary role of the Committee is to gain assurance on behalf of the Corporation, in relation to all provision, that:

- a) The curriculum responds to and meets the needs of learners, employers, and other key stakeholders at local, regional, and national levels.
- b) Teaching, learning, and assessment are being monitored, that appropriate improvement actions are in place where needed and that those actions deliver the improvements required to the benefit of our learners.
- c) The achievement, progress and progression of our learners is being monitored against internal targets and that it exceeds national averages.

Statement of Corporate Governance and Internal Control

Finance & Assets Committee

In 24/25 the Finance & Assets Committee comprised of six external members of the Corporation and the CEO/Principal. The Committee operates under Terms of Reference approved by the Corporation.

The Finance & Assets committee met six times in 24/25. The Committee is responsible for monitoring and advising the Corporation on financial performance, financial reporting, funding, capital investment, value for money, estates, health & safety, IT and MIS, and people and culture.

Governance & Search Committee

In 24/25 the Governance and Search Committee consisted of five external members of the Corporation and the CEO/Principal. The Committee operates under Terms of Reference approved by the Corporation.

The Governance & Search Committee met four times in 24/25. The Committee is responsible for considering and advising the Corporation on all matters relating to the constitution of the Corporation, including the selection of new governors, blending the skills of members, code of conduct, training, attendance, membership of committees and evaluation of performance of governance.

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/Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between Nottingham College and the funding bodies. The Accounting Officer is 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 Nottingham College for the period 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 ended 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

Statement of Corporate Governance and Internal Control

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

Risks faced by the Corporation

As highlighted in the Principal Risks and Uncertainties section of the Strategic Report of the Members of the Corporation within these financial statements, during 2023-24, the Board strengthened its risk framework following an in-year review of its risk approach, specifically to assess the risks in not achieving the College's Future Ready 2023-26 Strategy. The Board identified 13 strategic risk themes, driven by the strategic priorities, against which they have assigned a risk appetite, which was first approved in July 2023 in preparation for the 2023-24 academic year. The Risk Management Group, Executive Leadership Team and Audit Committee review the Strategic Risk Register at least four times per year to determine if updates are required. The Strategic Risk Register and risk appetite levels are reviewed at each Board meeting alongside the progress being made by the College in achieving its strategic priorities.

Based on the strategic plan, the Risk Management Group undertake a comprehensive review of the operational risks to which the College is exposed. The operational risks are linked to the strategic risks in the Strategic Risk Register. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented, and the subsequent appraisal will review their effectiveness and progress against risk mitigation actions. The Risk Management Group will also consider any new or emerging risks as they arise.

Both strategic and operational risk registers use a standard template which identifies the risk, the likelihood of the risk occurring, the potential impact on the College and the actions being taken to reduce and mitigate the risk. Risks are prioritised using a likelihood multiplied by impact scoring system set out in the College's Risk Management Policy, which is reviewed every two years.

The Audit Committee, Finance & Assets Committee and the Learning & Quality Committee review the sections of the Operational Risk Register relevant to their specific Terms of Reference termly. In addition, Audit Committee reviews the Operational Risk Register in its entirety at least annually.

Control weaknesses identified

The Internal Auditors did not identify any significant internal control weaknesses or failures that have arisen in in 24/25.

Responsibilities under accountability agreements

The College has reviewed its policies, procedures and approval processes in line with the 24/25 College Financial 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 and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 24/25 and up to the date of the approval of the financial statements included:

- Risk Management and review of Risk Register
- Review of Internal Audit Reports and recommendation tracking
- Review of Policies
- Review of work undertaken by the External Auditor

Statement of Corporate Governance and Internal Control

- Review of Annual Statements and Accounts
- Reports from College's senior management
- Reports to every meeting on whistleblowing, data protection, fraud, bribery, irregularity and legal claims

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 management team within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors in their external auditor's audit findings report, management letters and other reports.
- The regularity self-assessment questionnaire

The Accounting Officer has been advised on 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 the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

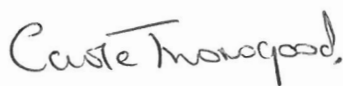
The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the Corporation carried out the annual assessment for the period ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

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"*.

As the College continues to grow, areas of development continue to be identified to ensure further enhancements are made to the framework of risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective.

Approved by order of the members of the Corporation on 25th March 2026 and signed on its behalf by:

Carole Thorogood
Chair of Governors



Janet Smith
Accounting Officer



Statement of Regularity, Propriety and Compliance

As accounting officer of the Corporation of Nottingham College, I confirm that the corporation have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's board of governors and DfE of material irregularity, impropriety and noncompliance with terms and conditions of all funding. I confirm that I and the Board of governors are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

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



Janet Smith
Accounting Officer
25th March 2026

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 ESFA and DfE and any other funding bodies, 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.

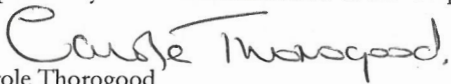
The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

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

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

Approved by order of the members of the Corporation on 25th March 2026 and signed on its behalf by:


Carole Thorogood
Chair of governors

Independent auditor's report to the Corporation of Nottingham College

Opinion

We have audited the financial statements of Nottingham College (the parent corporation) and its subsidiaries (the 'group') for the year ended 31 July 2025 which comprise the Statement of comprehensive income and expenditure, statement of changes in reserves, balance sheets, consolidated Statement of cash flows and the 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), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2024 to 2025.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 July 2025 and of the group's Consolidated and College Statement of Change in Reserves, Balance Sheets, Consolidated Statement of Cash Flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, College Accounts Direction 2024 to 2025 and the Office for Students' Accounts Direction.

Basis for opinion

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

Conclusion relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent corporation'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 with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. 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 Nottingham College

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

We have nothing to report in respect of the following matters where the Framework and Guide for External Auditors and Reporting Accountants of Colleges by the Department for Education ('DfE') requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group, or returns adequate for our audit have not been received from branches not visited by us; or
- the group's 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.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion:

- funds from whatever source administered by the corporation for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS') and Research England have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the corporation's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated.

Responsibilities of the 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 determines 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 corporation'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 corporation or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Corporation of Nottingham College

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the group's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the group's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the group ensured it met its obligations arising from it being financed by and subject to the governance requirements of the DfE and OfS, and as such material compliance with these obligations is required to ensure the group will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the group ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal group specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, the Companies Act 2006, and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified for the parent corporation and its subsidiaries included the following, as we considered appropriate:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of group's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the DfE and OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and

Independent auditor's report to the Corporation of Nottingham College

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 our report

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

Bishop Fleming Audit Limited

Chartered Accountants
Statutory Auditors
Brook House,
Manor Drive,
Clyst St Mary,
Exeter,
EX5 1GD

Date:

Independent Reporting Accountant's Report on Regularity to the Corporation of Nottingham College and Secretary of State for Education

Independent reporting accountant's report on regularity to the corporation of Nottingham College and Secretary of State for Education

In accordance with the terms of our engagement letter dated 27 June 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Nottingham College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament or 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 Nottingham College and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Nottingham College and the Secretary of State those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of Nottingham College and 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 Nottingham College and the reporting accountant

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

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

Approach

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the corporation's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the corporation's self-assessment questionnaire ("SAQ");
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk;
- Confirming through enquiry and understanding the control environment that the corporation has policies and delegated authorities in respect of procurement; and

Independent Reporting Accountant's Report on Regularity to the Corporation of Nottingham College and Secretary of State for Education

- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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

Reporting accountant

Bishop Fleming Audit Limited

Chartered Accountants

Statutory Auditors

Brook House,

Manor Drive,

Clyst St Mary,

Exeter

EX5 1GD

Date:

Statement of comprehensive income and expenditure

	Notes	Year ended 31 July 2025		Year ended 31 July 2024	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	2	79,089	79,089	67,569	67,569
Tuition fees and education contracts	3	4,808	4,822	4,862	4,864
Other grants and contracts	4	520	520	2,578	2,578
Other income	5	4,791	5,602	3,633	4,489
Investment income	6	307	307	275	275
Donations and Endowments		-	-	-	-
Total income		89,515	90,340	78,917	79,775
EXPENDITURE					
Staff costs	7	56,840	54,888	49,687	47,936
Restructuring costs	7	385	368	292	289
Other operating expenses	8	21,353	24,310	20,301	22,868
Depreciation	11	6,395	6,394	5,040	5,040
Impairment of Investment Property	13	-	-	-	-
Interest and other finance costs	9	1,180	1,180	1,497	1,497
Total expenditure		86,153	87,140	76,817	77,630
Surplus/(deficit) before other gains and losses		3,362	3,200	2,100	2,145
Gain on disposal of assets		139	153	10	10
Surplus/(deficit) before tax		3,501	3,353	2,110	2,155
Taxation	10	-	-	-	-
Surplus for the year		3,501	3,353	2,110	2,155
Actuarial (loss)/gain in respect of pension schemes	18	(188)	(188)	(434)	(434)
Total Comprehensive Income for the year		3,313	3,165	1,676	1,721

The notes on pages 38-61 form part of these financial statements.

Statement of Changes in Reserves

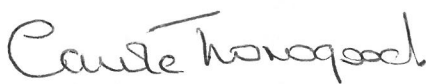
	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 1st August 2023	30,371	4,380	34,751
Surplus from the income and expenditure account	2,110	-	2,110
Other comprehensive income	(434)	-	(434)
Transfers between revaluation and income and expenditure reserves	-	-	-
	1,676	-	1,676
Balance at 31st July 2024	32,047	4,380	36,427
Surplus from the income and expenditure account	3,501	-	3,501
Other comprehensive income	(188)	-	(188)
Transfers between revaluation and income and expenditure reserves	260	(260)	-
Total comprehensive income for the year	3,573	(260)	3,313
Balance at 31st July 2025	35,620	4,120	39,740
College			
Balance at 1st August 2023	30,455	4,380	34,835
Surplus from the income and expenditure account	2,155	-	2,155
Other comprehensive income	(434)	-	(434)
Transfers between revaluation and income and expenditure reserves	-	-	-
	1,721	-	1,721
Balance at 31st July 2024	32,176	4,380	36,556
Surplus from the income and expenditure account	3,353	-	3,353
Other comprehensive income	(188)	-	(188)
Transfers between revaluation and income and expenditure reserves	260	(260)	-
Total comprehensive income for the year	3,425	(260)	3,165
Balance at 31st July 2025	35,601	4,120	39,721

The notes on pages 38-61 form part of these financial statements.

Balance Sheets

	Notes	Group	College	Group	College
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	11	151,734	151,734	141,107	141,107
Investments	12	-	1	-	1
Investment Property	13	-	-	-	-
		151,734	151,735	141,107	141,108
Current assets					
Stocks		159	148	119	108
Trade and other receivables	14	4,680	4,923	6,190	6,525
Cash and cash equivalents	19	12,863	12,533	15,412	15,088
		17,702	17,604	21,721	21,721
Less: Creditors – amounts falling due within one year	15	(23,344)	(23,266)	(25,918)	(25,790)
Net current liabilities		(5,642)	(5,662)	(4,197)	(4,069)
Total assets less current liabilities		146,092	146,073	136,910	137,039
Less: Creditors – amounts falling due after more than one year	16	(104,719)	(104,719)	(98,776)	(98,776)
Provisions					
Defined benefit obligations	18	(69)	(69)	(77)	(77)
Other provisions	18	(1,564)	(1,564)	(1,630)	(1,630)
Total net assets		39,740	39,721	36,427	36,556
Restricted reserves					
Thomas Earp funds gifted to the college		43	43	43	43
Other funds gifted to the college		28	28	28	28
Total restricted reserves		71	71	71	71
Unrestricted reserves					
Income and expenditure account		35,618	35,599	32,053	32,182
Pension reserve	23	(69)	(69)	(77)	(77)
Revaluation reserve		4,120	4,120	4,380	4,380
Total unrestricted reserves		39,669	39,650	36,356	36,485
Total reserves		39,740	39,721	36,427	36,556

The financial statements on pages 38 to 61 were approved and authorised for issue by the Corporation on 25th March 2026 and were signed on its behalf on that date by:


Carole Thorogood
Chair of Governors


Janet Smith
Accounting Officer

The notes on pages 38-61 form part of these financial statements.

Consolidated Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Cash inflow from operating activities			
Surplus for the year		3,501	2,110
Adjustment for non cash items			
Depreciation of tangible assets		6,395	5,040
(Increase)/Decrease in stocks		(39)	(51)
(Increase)/Decrease in debtors		1,509	(1,679)
(Decrease)/Increase in creditors due within one year		(11,649)	(10,492)
Increase/(decrease) in creditors due after one year		7,624	10,132
(Decrease) in provisions		(66)	(94)
Pensions costs less contributions payable		(210)	(296)
Adjustment for investing or financing activities			
Investment income		(307)	(275)
Interest payable		1,180	1,497
(Profit)/Loss on sale of fixed assets		(139)	(10)
Net cash flow from operating activities		7,799	5,882
Cash flows from investing activities			
Proceeds from sale of fixed assets		1,437	10
Investment income		307	275
Payments made to acquire fixed assets		(18,306)	(14,165)
		(16,562)	(13,880)
Cash flows from financing activities			
Interest paid		(1,185)	(1,571)
New unsecured loans		-	6,004
Receipt of capital grants		9,028	16,094
Repayments of amounts borrowed		(1,629)	(8,759)
		6,214	11,768
Increase/(Decrease) in cash and cash equivalents in the year		(2,548)	3,770
Cash and cash equivalents at beginning of the year	19	15,412	11,642
Cash and cash equivalents at end of the year	19	12,864	15,412

Notes to the financial statements

1 Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024-25 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

The financial statements are presented in Sterling (£), rounded to the nearest thousand.

Basis of accounting

These financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary companies, Nottingham College Services Limited, EMTEC Colleges Limited and EMTEC (Shanghai) Limited (during 2024-25 EMTEC (Shanghai) Limited was solvently liquidated), 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 subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. The students' union is run as a completely separate entity with all cash flow going through an independently controlled bank account although monitoring of the account is carried out by the learner service function.

Going concern

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

These show that the College achieved a healthy education specific EBITDA of £6.8m in 2024-25 and generated c.£7.8m of cash from operations, continuing the trend of delivering a strong operating performance with EBITDA and cash generated from operations of over £5m for the fourth year in succession. This enabled the College to repay £1.6m of borrowings, plus a further £1.2m of interest, to lenders as planned in 2024-25, as well as investing £9.3m into capital projects, net of grant income. The College has also met all the covenants in place with lenders at 31 July 2025. The consistently strong cash generation from operations along with the ability to reduce future investment into discretionary capital projects mitigates the risk arising from the college's net current liabilities position at July 2025 of £5.6m, £3.4m of which related to deferred income from Government capital grants, which is a non-cash item.

In February 2022, the College completed a refinancing exercise with its lenders, Barclays Bank, Department for Education (DfE) and Nottingham City Council. The commitment terms agreed with Barclays Bank and DfE were relatively short-term, resulting in the College having to refinance the outstanding balloon repayment balances on or before 1 August 2024. On 26 July 2024 the Barclays Bank borrowing was repaid in full by the College, using funds from a new reclassification loan provided to the College by the DfE, being the only lender available to the College following the reclassification of Further Education colleges into the public sector announced by the Office for National Statistics on 29 November 2022. The DfE also extended their existing borrowing arrangements that were

Notes to the financial statements

in place. The two DfE loans totalling £12.9million are due to be repaid by 2 August 2027, or a later date to be determined by the DfE following the affordability review to be completed by 31 May 2027. The College has agreed a capital repayment holiday on the DfE borrowing for 3 years with the first repayment to start on 18 October 2027, subject to the outcome of the affordability review.

The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons.

Based on a set of assumptions that have been robustly tested, the College has prepared forecasts for more than 12 months into the future. In line with the financial strategy which was supported by Board in January 2025 and underpins the College's 3-year financial plan approved by Board in July 2025, cash balances are set to grow to build resilience and provide long-term financial sustainability for the College, and enable repayment of DfE borrowing to restart in October 2027 after the 3-year capital repayment holiday. The forecasts show that the cash balance will remain healthy during the next 12 months, with unrestricted cash days in hand forecast to be 34 at year ending 31 July 2026, and a minimum of 21, equating to £4.9m, during this 12-month period.

Taking account of plausible downsides, mitigations and the change to the accounting treatment arising from the FE HE Statement of Recommended Practice (SORP) changes effective for the year starting 1 August 2026, it is reasonable to consider that College will have sufficient funds to meet its liabilities as they fall due over the period covering at least 12 months from the date of approval of the financial statements, and that the College will remain in compliance with its loan covenants at 31 July 2026.

Accordingly, the Corporation considers there is a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future, and for this reason continues to adopt the going concern basis in the preparation of its financial statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 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 represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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

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

Capital grant funding

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

Fee income

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

Notes to the financial statements

Investment income

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

Agency Arrangements

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

Accounting for post-retirement benefits

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

Teachers' Pension Scheme (TPS)

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

Nottinghamshire Local Government Pension Scheme

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised 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 a college annually. 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 using the enhanced pension spreadsheet provided by the funding bodies.

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 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Notes to the financial statements

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- Buildings – 50 years
- Refurbishments – 50 years

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

Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

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.

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.

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

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition unless it is part of a larger project. All other equipment is capitalised at cost.

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

- | | |
|------------------------------------|---------|
| • technical equipment | 7 years |
| • motor vehicles | 4 years |
| • computer equipment | 3 years |
| • furniture, fixtures and fittings | 7 years |

Borrowing costs

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

Leased assets

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

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

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

Notes to the financial statements

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.

Investment Property

Investment properties are held at fair value in the balance sheet. Formal market valuations are completed at least bi-annually with any material movements released to the income and expenditure account.

Inventories

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

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Foreign currency translation

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Notes to the financial statements

The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

Provisions are recognised when;

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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 risk 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:

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount on the pension liability.

The actuarial valuation received by the college for the Local Government Pension Scheme at July 2025 showed the college being in the position of having an asset, rather than a liability in regard to its share of the scheme. The college has chosen not to show this asset, as we would neither be able to access refunds from the scheme nor would we benefit from reduced future contributions to the scheme. The college's asset/liability in regard to the scheme has been reduced to zero at July 2025.

Notes to the financial statements

2 Funding body grants

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Recurrent grants				
Education and Skills Funding Agency - adult	16,954	16,954	16,834	16,834
Education and Skills Funding Agency – 16 -18	51,168	51,168	44,030	44,030
Education and Skills Funding Agency - apprenticeships	5,834	5,834	5,490	5,490
Office for Students	296	296	276	276
Specific Grants				
Teachers' Pension Scheme contribution grant	2,127	2,127	-	-
Post 16 National Insurance Grant	388	388	-	-
Releases of government capital grants	2,164	2,164	939	939
OFS specific grant	158	158	-	-
Total	79,089	79,089	67,569	67,569

3 Tuition fees and education contracts

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult Education Fees	815	829	828	831
Apprenticeship contracts	415	415	596	596
Fees for FE loan supported courses	617	617	687	687
Fees for HE loan supported students	2,961	2,961	2,750	2,749
International students' fees	-	-	1	1
Total	4,808	4,822	4,862	4,864

Details of grant and fee income

Grant income from the OFS	296	296	276	276
Grant income from other bodies	73,956	73,956	66,354	66,354
Fee income for taught awards (exclusive of VAT)	2,961	2,961	2,750	2,750
Fee income from non-qualifying courses (exclusive of VAT)	1,847	1,861	2,112	2,114

Total grant and fee income	79,060	79,074	71,492	71,494
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4 Other grants and contracts

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grants and contracts	520	520	2,578	2,578
Total	520	520	2,578	2,578

Notes to the financial statements

5 Other income

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	1,109	1,109	1,225	1,225
Other income generating activities	596	596	289	289
Other grant income	1,183	1,184	588	588
Non government capital grants	1,587	1,587	1,293	1,293
Miscellaneous income	316	1,126	238	1,094
Total	4,791	5,602	3,633	4,489

6 Investment income

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	307	307	275	275
	307	307	275	275

Notes to the financial statements

7 Staff costs - Group

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

	2025 No.	2024 No.
Teaching staff	966	881
Non teaching staff	487	475
	1,453	1,356
Staff costs for the above persons		
	2025 £'000	2024 £'000
Wages and salaries	42,405	37,911
Social security costs	4,351	3,460
Other pension costs	8,772	7,144
Payroll sub total	55,528	48,515
Contracted out staffing services	1,312	1,172
	56,840	49,687
Restructuring costs - contractual	385	292
non contractual	-	-
	57,225	49,979

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Executive Leadership Team which comprises the Chief Executive Officer, Chief Financial Officer, Vice Principal (People and Culture)(until 18th July 2025), Vice Principal (Learner Journey and Marketing), Vice Principal (Innovation and Improvement), Vice Principal (Curriculum and Support) and Vice Principal (Funding, MIS & IT). Staff costs include compensation paid to key management personnel for loss of office.

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

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

Notes to the financial statements

7 Staff costs - Group and College

The number of key management personnel and other staff who received annual emoluments, excluding pension

	Senior post-holders		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,001 to £65,000	-	-	12	11
£65,001 to £70,000	-	-	2	1
£70,001 to £75,000	-	-	-	1
£75,001 to £80,000	-	-	5	6
£80,001 to £85,000	-	3	-	-
£85,001 to £90,000	-	1	-	1
£90,001 to £95,000	4	1	-	-
£95,001 to £96,000	-	-	-	-
£100,001 to £105,000	1	-	-	-
£135,000 to £140,000	-	-	-	-
£145,001 to £150,000	-	1	-	-
£155,001 to £160,000	1	-	-	-
£185,001 to £190,000	-	1	-	-
£195,001 to £200,000	1	-	-	-
£215,001 to £220,001	-	-	-	-
	7	7	19	20

The table above refers to the whole year salary, whether the senior post holder/other staff worked the entire year or not.

	Senior post-holders		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£5,001 to £10,000	-	-	-	1
£10,001 to £15,000	-	-	-	-
£15,001 to £20,000	-	-	-	-
£20,001 to £25,000	-	-	-	-
£25,001 to £30,000	-	-	-	-
£30,001 to £35,000	-	-	-	-
£35,001 to £40,000	-	-	2	-
£50,001 to £55,000	-	1	-	-
£55,001 to £60,000	-	-	-	1
£60,001 to £65,000	-	-	13	11
£65,001 to £70,000	-	-	-	-
£70,001 to £75,000	-	-	1	2
£75,001 to £80,000	-	-	3	3
£80,001 to £85,000	-	4	-	-
£85,001 to £90,000	-	1	-	1
£90,001 to £95,000	4	-	-	-
£100,001 to £105,000	1	-	-	-
£135,001 to £140,000	-	-	-	1
£145,001 to £150,000	-	-	-	-
£150,001 to £155,000	-	1	-	-
£155,001 to £160,000	1	-	-	-
£190,001 to £195,000	-	1	-	-
£195,001 to £200,000	1	-	-	-
£205,001 to £210,000	-	-	-	-
£225,001 to £230,000	-	-	-	-
	7	8	19	20

The table above refers to the actual salary paid during the year.

Access and Participation (Payroll Element)	2025 £'000	2024 £'000
Access Investment	-	-
Financial Support	-	-
Disability Support (excluding expenditure included in the two categories above)	65	65
Research and Evaluation	13	10
	78	75

Notes to the financial statements

7 Staff costs - Group and College

Key management personnel compensation is made up as follows:

	2025 £'000	2024 £'000
Salaries - gross of salary sacrifice and waived emoluments	821	734
Benefits in Kind	-	-
Termination	15	-
	<u>836</u>	<u>734</u>
Pension contributions	<u>169</u>	<u>142</u>
Total emoluments	<u>1,005</u>	<u>876</u>

There were no amounts due to key management personnel 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:

	Accounting Officer	2025 £'000	2024 £'000
Salaries	199	199	193
	<u>199</u>	<u>199</u>	<u>193</u>
Pension contributions	57	57	48
	<u>57</u>	<u>57</u>	<u>48</u>

The governing body adopted AoC's Senior Staff Remuneration Code in April 2019 and will assess pay in line with its principles in future.

The remuneration package of the Chief Executive Officer is subject to review by the Remuneration Committee, who use benchmarking information to provide objective guidance, with approval by the Governing Body.

The Chief Executive Officer reports to the Chair of the Governing Body who undertakes an annual review of her performance against the college's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Chief Executive Officer pay and remuneration expressed as a multiple;

Chief Executive Officer's basic salary as a multiple of the median of all staff* 6.16 (2023-24 6.18)

*This calculation includes all permanent staff, sessional staff calculated as FTE's, but does not include agency staff.

Chief Executive Officer's total remuneration as a multiple of the median 7.90 (2023-24 7.85)

Compensation for loss of office paid to former key management personnel

	2025 £	2024 £
For 2025, compensation was paid to one key management person.	<u>15,000</u>	<u>-</u>
Estimated value of other benefits, including provisions for pension	<u>-</u>	<u>-</u>
The severance payment was approved by the Corporation.		

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the institution

The College paid 17 severance payments in the year, disclosed in the following bands;

0 - £25,000	13
£25,001 - £50,000	4
£75,001 - £100,000	0

Included in staff restructuring costs are 17 special severance payments totalling £291,145 (2024 £134,970). Individually, the payments were; £35,256, £29,519, £28,265, £25,818, £24,973, £22,932, £19,110, £16,380, £15,000, £14,553, £14,291, £11,996, £11,502, £9,703, £4,877, £4,825, £2,145

Notes to the financial statements

8 Other operating expenses

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	9,989	9,965	10,065	10,049
Non teaching costs	6,646	6,828	5,675	5,661
Premises costs	4,718	7,517	4,561	7,158
Total	21,353	24,310	20,301	22,868

Other operating expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration:		
Financial statements audit *	71	77
Tax compliance	4	3
Other services	3	4
Internal audit	47	65
Operating lease expense	979	799

* Includes £57,000 in respect of the College (2023-24 £64,300)

Access and Participation

	2025 £'000	2024 £'000
Access Investment (i)	28	130
Financial Support	130	143
Disability Support (excluding expenditure included in the two categories above) (ii)	65	68
Research and Evaluation (iii)	13	10
	236	351

- (i) £0k of these costs are already included in the overall staff cost figures included in the financial statements, see note 7
(ii) £65k of these costs are already included in the overall staff cost figures included in the financial statements, see note 7
(iii) £13k of these costs are already included in the overall staff cost figures included in the financial statements, see note 7

Nottingham College's Access and Participation Plan can be accessed via the link below;

<https://www.nottinghamcollege.ac.uk/study/university-centre/welcome-to-the-university-centre-at-nottingham-college/key-information-and-supporting-documents>

Notes to the financial statements

9 Interest payable - Group and College

	2025 £'000	2024 £'000
On bank loans, overdrafts and other loans:	<u>1,185</u>	<u>1,571</u>
	1,185	1,571
Net interest on defined pension liability (note 18,23)	<u>(5)</u>	<u>(74)</u>
Total	<u><u>1,180</u></u>	<u><u>1,497</u></u>

10 Taxation - Group only

	2025 £'000	2024 £'000
Tax payable by the group	<u><u>-</u></u>	<u><u>-</u></u>

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

Notes to the financial statements

11 Tangible fixed assets (Group and College)

	Land and buildings £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 August 2024	164,794	44,490	209,284
Additions	12,992	5,314	18,306
Disposals	(2,209)	-	(2,209)
At 31 July 2025	175,577	49,804	225,381
Depreciation			
At 1 August 2024	30,266	37,911	68,177
Charge for the year	3,235	3,160	6,395
Elimination in respect of disposals	(925)	-	(925)
At 31 July 2025	32,576	41,071	73,647
Net book value at 31 July 2025	143,001	8,733	151,734
Net book value at 31 July 2024	134,528	6,579	141,107

Notes to the financial statements

12 Non current Investments

	College 2025 £'000	College 2024 £'000
Investments in subsidiary companies	1	1
	<u>1</u>	<u>1</u>
Total	<u>1</u>	<u>1</u>

The College owns 100 per cent of the issued ordinary £1 shares of Nottingham College Services Limited, a company incorporated in England and Wales, and 100 per cent of the issued ordinary £1 shares of Emtec Colleges Limited, a company incorporated in England and Wales. The principal business activity of Nottingham College Services Limited is the provision of cleaning services. Emtec Colleges Limited is an intermediate holding company.

13 Investment Property

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Opening balance	-	-	1,800	1,800
Investment Property Impairment	-	-	-	-
Transfer to Fixed Assets	-	-	(1,800)	(1,800)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The lessee of the Investment Property exercised a break clause in the lease at 31 July 2023, however the lease was not formally terminated until 1 August 2023. Given the property was still an Investment Property at 1 August 2023 but with no future rental stream, the members were of the view that the Investment Property should be shown impaired to net book value (£1,800,000). On 1 August 2023 this value was transferred to Fixed Assets.

14 Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Amounts falling due within one year:				
Trade receivables	523	538	888	831
Amounts owed by group undertakings:				
Subsidiary undertakings	-	-	-	195
Prepayments and accrued income	4,157	4,385	5,302	5,499
Amounts owed by the ESFA	-	-	-	-
Total	<u>4,680</u>	<u>4,923</u>	<u>6,190</u>	<u>6,525</u>

Notes to the financial statements

15 Creditors: amounts falling due within one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank loans.	1,680	1,680	1,629	1,629
Trade payables	3,087	3,061	1,902	1,871
Amounts owed to group undertakings:				
Subsidiary undertakings	-	13	-	-
Other taxation and social security	2,186	2,110	1,880	1,803
Annual Leave Accrual	99	99	155	154
Accruals and deferred income	8,022	8,033	8,635	8,616
Deferred income - government capital grants	3,416	3,416	2,761	2,761
Unspent capital grants	4,854	4,854	8,956	8,956
Total	23,344	23,266	25,918	25,790

16 Creditors: amounts falling due after one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank Loans	25,286	25,286	26,966	26,966
Rent Creditor	150	150	1,251	1,251
Deferred income - government capital grants	79,283	79,283	70,559	70,559
Total	104,719	104,719	98,776	98,776

Notes to the financial statements

17 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
In one year or less	1,680	1,680	1,629	1,629
Between one and two years	1,732	1,732	1,680	1,680
Between two and five years	18,430	18,430	18,267	18,267
In five years or more	5,124	5,124	7,019	7,019
Total	26,966	26,966	28,595	28,595

The College's loans are detailed as follows;

Lender	Term	Rate	Amount
			£'000
Nottingham City Council	Oct 2032	3.09%	14,057
DfE	Aug 2027	5.60%	12,909
TOTAL			26,966

The loans are secured on a portion of the freehold land and buildings of the College.

On 26 July 2024 the college refinanced its existing borrowing of £6.9million with the DfE and also took on new borrowing of £6million with the DfE to repay the commercial debt from Barclays Bank.

The two DfE loans totalling £12.9million are due to be repaid by 2 August 2027, or a later date to be determined by the DfE following the affordability review to be completed by 31 May 2027. The college has agreed a capital repayment holiday on the DfE borrowing for 3 years, with the first repayment to start on 18 October 2027, subject to the outcome of the affordability review. Interest is charged at the Public Works Loan Board (PWLb) standard which changes each year on 1 April. The PWLB standard rate for 25-26 is 5.02%

Notes to the financial statements

18 Other Provisions Group and College

	Defined benefit obligations	Enhanced benefit obligations	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2024	(77)	(1,630)	-	(1,707)
Expenditure in the period	149	113	-	262
Actuarial gain	24,499	(47)	-	24,452
Amount not recognised	(24,640)	-	-	(24,640)
At 31 July 2025	(69)	(1,564)	-	(1,633)

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 employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2025	2024
Price inflation	2.80%	2.90%
Discount rate	5.50%	4.80%

19 Cash and cash equivalents

	At 1 August 2024	Cash flows	Other changes	At 31 July 2025
	£'000	£'000	£'000	£'000
Cash and cash equivalents	6,341	232	-	6,573
Restricted cash*	9,071	(2,781)	-	6,290
Overdrafts	-	-	-	-
Total	15,412	(2,549)	-	12,863

*Restricted cash comprises capital grants received in advance remaining unpaid at year-end and net proceeds from the sale of the College's Arthur Mee Campus held for reinvestment.

Analysis of change in net debt

	At 1 August 2024	Cash flows	New bank Loans	Other changes	At 31 July 2025
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	6,341	232	-	-	6,573
Bank loans - short term	(1,629)	-	-	(51)	(1,680)
Bank Loans - long term	(26,966)	-	-	1,680	(25,286)
Sub-total	(22,254)	232	-	1,629	(20,393)
Restricted cash	9,071	(2,781)	-	-	6,290
Total	(13,183)	(2,549)	-	1,629	(14,103)

20 Capital commitments

	Group and College 2025 £'000	2024 £'000
Commitments contracted for at 31 July	3,543	8,624

Notes to the financial statements

21 Lease Obligations

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

	Group and College	
	2025	2024
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	621	501
Later than one year and not later than five years	1,755	1,336
Later than five years	1,121	676
	<u>3,497</u>	<u>2,513</u>
Other		
Not later than one year	80	80
Later than one year and not later than five years	74	154
Later than five years	-	-
	<u>154</u>	<u>234</u>
Total lease payments due	<u>3,651</u>	<u>2,747</u>

22 Contingent liabilities

There are no contingent liabilities as at 31 July 2025 or 31 July 2024.

Notes to the financial statements

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 Nottinghamshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are multi-employer defined-benefit plans. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Total pension cost for the year	2025 £'000	2024 £'000
Teachers Pension Scheme: contributions paid	5,048	3,949
Local Government Pension Scheme:		
Contributions paid	3,561	3,445
Other pension contributions	27	23
Pension Strain	-	17
FRS 102 (28) charge	<u>(137)</u>	<u>(276)</u>
Charge to the Statement of Comprehensive Income	3,451	3,209
Enhanced pension charge to Statement of Comprehensive Income	40	40
Total Pension Cost for Year included within Staff Costs	<u>8,539</u>	<u>7,198</u>

Teachers' Pension Scheme

The Teachers' Pension Budgeting and Valuation Account

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. 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 FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

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

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

Valuation of the Teachers' Pension Scheme

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

As a result of the valuation, new employer contribution rates rose from 23.68% to 28.68% from April 2024.

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

The pension costs paid to TPS in the year amounted to £5,048,000 (2024: £3,949,000)

Notes to the financial statements

23 Defined benefit obligations (continued)

FRS 102 (28)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Nottinghamshire County Council. The total contribution made for the year ended 31 July 2025 was £4,709,000, of which employer's contributions totalled £3,561,000 and employees' contributions totalled £1,148,000. The agreed contribution rates for future years are 19.4% for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2024 updated to 31 July 2025 by a qualified independent actuary.

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.80%	3.90%
Future pensions increases	2.80%	2.90%
Discount rate for scheme liabilities	5.75%	5.05%
Inflation assumption (CPI)	2.80%	2.90%
Commutation of pensions to lump sums	25%	50%

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

	At 31 July 2025	At 31 July 2024
	years	years
<i>Retiring today</i>		
Males	20.7	20.4
Females	23.4	23.3
<i>Retiring in 20 years</i>		
Males	21.9	21.6
Females	24.8	24.7

Notes to the financial statements

23 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

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

	Asset Breakdown	Fair Value at 31 July 2025 £'000	Asset Breakdown	Fair Value at 31 July 2024 £'000
Equity instruments	54%	85,483	60%	87,683
Gilts	8%	12,435	2%	3,472
Other Bonds	6%	9,374	5%	7,193
Property	9%	14,448	11%	15,413
Cash	6%	9,713	6%	8,729
Inflation-linked pool fund	7%	11,022	5%	7,375
Infrastructure	7%	11,160	7%	10,482
Unit Trust	3%	5,143	3%	4,643
Total market value of assets		158,778		144,990

The amount included in the balance sheet in respect of the defined benefit pension plan [and enhanced pensions benefits] is as follows:

	2025 £'000	2024 £'000
Fair value of plan assets	158,778	144,990
Present value of plan liabilities	(131,907)	(142,866)
Amount not recognised	(26,871)	(2,124)
Present value of unfunded liabilities	(69)	(77)
Net pension liability	(69)	(77)

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 service cost	3,424	3,169
Past service cost	-	20
Total	3,424	3,189

Amounts included in investment

Net interest	(85)	(164)
	(85)	(164)

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	7,150	2,762
Other actuarial losses on assets	-	-
Change in financial assumptions	19,410	(3,603)
Change in demographic assumptions	(717)	318
Experience losses arising on defined benefit obligations	(1,344)	714
Actuarial gain not recognised	(24,640)	(642)
Amount recognised in Other Comprehensive Income	(141)	(451)

Notes to the financial statements

23 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Movement in net defined benefit (liability) during the year

	2025	2024
	£'000	£'000
(Deficit) in scheme at 1 August	(77)	-
Movement in year:		
Current service cost	(3,424)	(3,149)
Employer contributions	3,561	3,445
Past service cost	-	(20)
Net interest on the defined (liability)	85	164
Administrative expenses	(73)	(66)
Actuarial gain or loss	24,499	191
Amount not recognised	(24,640)	(642)
Net defined benefit (liability) at 31 July	(69)	(77)

Asset and Liability Reconciliation

	2025	2024
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	142,943	134,843
Current Service cost	3,424	3,149
Interest cost	7,115	6,831
Contributions by scheme participants	1,148	1,103
Experience gains and losses on defined benefit obligations	1,344	(714)
Changes in financial assumptions	(19,410)	3,603
Change in demographic assumptions	717	(318)
Estimated benefits paid	(5,295)	(5,564)
Unfunded pension payments	(10)	(10)
Past Service cost	-	20
Defined benefit obligations at end of period	131,976	142,943

Reconciliation of Assets

	2025	2024
	£'000	£'000
Fair value of plan assets at start of period	144,990	136,325
Interest on plan assets	7,307	6,995
Return on plan assets	7,150	2,762
Other actuarial losses	-	-
Administration expenses	(73)	(66)
Employer contributions	3,561	3,445
Contributions by Scheme participants	1,148	1,103
Estimated benefits paid	(5,305)	(5,574)
Fair value of plan assets at end of period	158,778	144,990

Notes to the financial statements

24 Related party transactions

Due to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. During 24-25 Janet Smith, CEO and Principal of Nottingham College, and Yultan Mellor, a governor, were both trustees of the Skills and Education Group, an education and skills based charity. During 2024-25 the College paid the Skills and Education Group £17,225 for delivery of professional development activities (2023-24 £15,208). There were amounts outstanding from the College to the Skills and Education Group at year-end of £0 (2023-24 £3,140).

The total expenses paid to or on behalf of the Governors during the year was £146.36; 1 governor (2023-24: £196.60; 1 governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity. No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2024: None).

Nottingham College Services Limited – a subsidiary of Nottingham College

Purchase transactions in the year amounted to £2,282,000 (2023-24 – £2,235,000). There was a balance outstanding at the year end due from Nottingham College Services Limited to the College of £228,000 (2024 – £195,000).

25 Amounts disbursed as agent

Learner support funds

	2025 £'000	2024 £'000
Funding body grants – bursary support	3,281	2,734
Funding body grants – discretionary learner support	2,459	1,661
Funding body grants – residential bursaries	-	-
Other Funding body grants	-	-
Interest earned	-	-
	<u>5,740</u>	<u>4,395</u>
Disbursed to students	(5,386)	(4,133)
Administration costs	(155)	(166)
	<u>199</u>	<u>96</u>
Balance unspent as at 31 July, included in creditors		

26 Subsidiary undertakings

The following were subsidiary undertakings of the College:

Name	Country of incorporation	Class of shares	Holding	Principle activity
EMTEC Limited	UK	Ordinary	100%	Dormant.
EMTEC (Shanghai) Limited*	China	Ordinary	100%	Provision of education.
Nottingham College Services Limited	UK	Ordinary	100%	Provision of cleaning services.

*During 2024-25, the College's operation in China (EMTEC (Shanghai) Limited, a wholly owned subsidiary of EMTEC Limited) was solvently liquidated, with the proceeds being transferred back to the UK. The proceeds are included in the College's bank account at the year end.

The registered office address for both EMTEC Limited and Nottingham College Services Limited is; 111 Canal Street, Nottingham, England, NG1 7HB.

27 Events after the reporting period

In August 2025 the College vacated the leased premises at London Road which had been used for automotive curriculum delivery. This delivery will now take place at the Highfields campus. In September 2025 the College entered into a lease with the University of Nottingham to service the growth in demand for Youth Guarantee and Kings' Trust provision. The College was delighted to win the Environmental Association for Universities and Colleges (EAUC) prestigious UK and Ireland Green Gown Awards in November 2025 for Sustainability Institution of the Year.

The college were notified by the DfE on 30th October 2025 that the DfE had appointed Validera to undertake a funding assurance review of DfE funded provision for the 2024 to 2025 funding year. Whilst this review was taking place, the Corporation were unable to approve the financial statements, and the college's external auditors Bishop Fleming were unable to conclude their opinion on the audit of the college's financial statements, until the review was completed. As a result of the review, the DfE granted the college an extension to submit the financial statements and all accompanying documents to DfE by 31 March 2026. The funding assurance review was completed in March 2026 and these financial statements have been amended to incorporate a provision to recognise the small funding clawback, amounting to approximately 0.1% of the total funding audited as part of the funding assurance review, in full.