



# ANNUAL REPORT

## 2023 – 2024

FINANCIAL STATEMENTS FOR YEAR ENDING 31 JULY 2024



**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 JULY 2024**

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## Reference and Administrative Details

### Executive Leadership Team

Sara-Jane Watkins	Chief Executive Officer (CEO) & Principal; Accounting Officer - from 1 September 2024
Rich Aitken	Chief Finance Officer - from 6 December 24
Kirsty Dimopoulos	Chief Operating Officer (COO) - from 1 September 24
David Fisk	Chief Information Officer (CIO) - from 2 September 24
Stuart Evans	Vice Principal Curriculum & Quality - Interim from 6 November 24 to 31 August 2025 Deputy Principal - from 1 September 2025
Peter Husband	Chief Operating Officer (COO) & Group Principal - until 31 December 2023 Interim Chief Executive Officer (CEO) & Principal; Accounting Officer - from 1 January 24 to 31 August 2024 Deputy Chief Executive (CEO) & Deputy Principal - from 1 September 24, left 31 December 2024
Angela Joyce	Chief Executive Officer (CEO); Accounting Officer - left 31 December 2023
Roger Bevan	Chief Finance Officer (CFO) - left 31 January 2025
Helen Kinghorn	Group Deputy Principal - left 31 January 24

### Board of Governors

A full list of Governors is given on pages 19 to 21.

### Clerk to the Corporation

Caroline Menadue acted as Clerk to the Corporation throughout the period and left 15 November 2024.

Lorna Lloyd-Williams acted as Clerk to the Corporation from 18 August 2025.

Martin McNeill acted as Interim Clerk to the Corporation from 6 May 2025 to 31 August 2025.

Ra Hamilton Burns and Sarah Connerty acted as Interim Clerk to the Corporation from 1 January 2025 to 1 April 2025.

John Kirk acted as Interim Clerk to the Corporation from 22 November 2024 to 31 December 2024.

### Registered Office

Warwick New Road, Leamington Spa, Warwickshire CV32 5JE

## **Warwickshire College**

### **Professional advisers**

#### **External Auditors**

RSM UK Audit LLP, 103 Colmore Row, Birmingham B3 3AG

#### **Internal Auditors**

KPMG LLP, 1 Snow Hill, Queensway, Birmingham B4 6GH

#### **Bankers**

Lloyds Bank PLC, 125 Colmore Row, Birmingham B3 3SF

#### **Solicitors**

Eversheds Sutherland LLP, Kett House, 50 – 60 Station Road, Cambridge CB1 2JH

Jobsons Solicitors Limited, 4 North Courtyard, Dunston Business Village, Staffordshire ST18 9FJ

Shakespeare Martineau LLP, No 1 Colmore Square, Birmingham B4 6AA

## Strategic Report

### OBJECTIVES AND STRATEGIES

The governing body present their annual report together with the financial statements for Warwickshire College for the year ended 31 July 2024.

#### Legal Status

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

While the College's scale is the result of a series of historic strategic mergers - incorporating provision across Leamington Spa, Rugby, Moreton Morrell, Pershore and South Worcestershire, it today operates as a single, unified institution under the trading name WCG, the official trading name for Warwickshire College Group. This brand reflects our integrated presence across the two counties of Warwickshire and Worcestershire.

#### Higher Education and Regulatory Standing

A defining feature of the College's current academic standing is its status as a degree-awarding body. Following a period of scrutiny, the Office for Students confirmed the College's Bachelor Degree Awarding Powers as indefinite from January 2025, sitting alongside our existing indefinite Foundation Degree Awarding Powers. Consequently, the College is registered with the Office for Students and approved to trade as "Warwickshire College and University Centre", reflecting our ability to award degrees up to Level 6.

Since November 2022, following reclassification by the Office for National Statistics (ONS), the College has resided within the central government sector. As such, the Corporation now operates in strict accordance with the framework for financial management set out in 'Managing Public Money' and associated Department for Education guidance.

#### Mission Statement

Transforming lives and shaping futures through learning, innovation, and growth.

#### Our Vision

Equipping learners across Warwickshire and Worcestershire, empowering communities, and supporting industries towards a dynamic and sustainable future.

#### Our Values: The IMPACT Framework

Our values define the culture of WCG and guide our actions and decisions. Together, they empower us to achieve excellence and deliver meaningful outcomes to reflect how we are:

- **Innovative:** The pursuit of creativity and forward-thinking to solve challenges and shape the future.
- **Mindful:** A commitment to fostering a culture of consideration, thoughtfulness, and respect in all actions and decisions.
- **Progressive:** The dedication to growth, change, and lifelong learning for all.
- **Ambitious:** The drive to set high standards, inspiring students and staff to achieve excellence.
- **Collaborative:** The building of meaningful partnerships and relationships that drive shared success.
- **Transformative:** The creation of lasting change that enhances lives, organisations, and communities.

These values are the foundation of our corporate priorities, expressed through the Four Pillars of IMPACT - Students: Your Outstanding Future, Our Focus; Stakeholders: Our Community, Shaping Prosperity & Tomorrow's Workforce; Staff: Our People, Our Values; and Sustainability: Our Path, Sustaining Growth and Long-term Success.



# Warwickshire College

## Public Benefit

Warwickshire College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 19 to 21.

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:

- High quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with local and regional government agencies.

## Key Performance indicators

Key performance Indicator	Budget for 2023/24	Actual for 2023/24	Actual 2024/25
EBITDA as % of adj. income – education specific	0.3%	-5.5%	6.9%
EBITDA as % of adj. income – standard	2.2%	-2.6%	9.8%
Staff costs (including contract services and excluding both the pensions adjustment and restructuring) as % of adj. income	66.4%	74.5%	66.0%
Adjusted current ratio	0.70	0.32	0.98
Borrowing as % of income	7.8%	8.3%	6.9%
Financial Health Score	120	90	190
Financial Health Grade	Requires Improvement	Inadequate	Good

The outlook for 2023/24 was challenging against a backdrop of cost pressures and a drop in our 16-18 core funding allocation due to a slow recovery in student numbers post Covid-19. Shortfalls in income relative to budget for both Higher Education and Apprenticeships further compounded this position and tipped the College over into an Inadequate Financial Health Rating. Our recovery plan shows the College returning to 'Good' financial health (as per FE Commissioner scoring) within two years and the College is currently running well ahead of that recovery plan. This is covered further within the future prospects section of the commentary.

## Financial Success Priority

To build financial resilience and sustainability. We aim to

- profitably grow our income
- increase efficiency and drive cost effectiveness
- optimise assets and capacity to invest
- provide an effective technology platform to drive organisational improvement
- attract, develop and retain great people through competitive reward, clear progression pathways and an inclusive culture that supports excellence

## Development and performance

### Financial Review

Income for the year prior to funding clawbacks being recognised at £52,320k (£51,194k 2022/23) was an increase of £1,126k or 2.2%. However, due to funding clawbacks agreed in December 2025 (see the next paragraph), total income was £49,779k, a reduction of £1,415k or -2.8%. Whilst there was an increase of 4.6% in core funding rates for 16-19 year olds this was offset by lower student numbers under the lagged funding formula as enrolments were slow to recover post Covid-19. In addition there were reductions in both apprenticeship and higher education income streams.

Between summer 2023 and December 2025, the DfE completed funding audits covering the period from 2019/20 to 2022/23. The audits identified a specific clawback liability of £3.7m. This figure, combined with other historical adjustments, specifically underspends and over-claims on allocations, including the Apprenticeship Trailblazer fund, resulted in a total repayment to the DfE exceeding £5m. All such funding audit liabilities have now been repaid in full. The 2023/24 accounts have been updated to reflect the reduction in income where this was not accounted for in the 2022/23 accounts, with corresponding adjustments against income and current liabilities. Following the appointment of the new Chief Executive Officer on 1 September 2024, the primary strategic focus has been the completion of legacy audits and the remediation of underlying data processes. To deliver this, the CEO has implemented a new Executive Leadership Team, including the appointment of a new Chief Finance Officer and a new Chief Information Officer, both selected for their significant experience in managing complex Management Information Systems (MIS). In addition, the Employer Services team, which manages all apprenticeship data, has been reinforced by a new Apprenticeship Compliance Manager with specialist experience in data management and audit protocol. As a result of this new structure, and the rigorous focus on both clearing legacy audits and addressing root-cause processes, the College has made significant progress in its approach to MIS and apprenticeship compliance. No material funding errors have been highlighted in the 2024/25 external audit process.

Staff costs at £35,486k (£32,979k 2022/23) were up £2,507k or 7.6%. The main drivers of the increase are a combination of increased use of contract staffing due to recruitment issues, increases in the National Minimum Wage and the impact of two pay awards. The first award on 1<sup>st</sup> January 2023 averaged 5.0%, but was focussed more towards lower paid staff. The second award on 1<sup>st</sup> January 2024 was a flat rate 4.0%. Included in the above, the Local Government Pension Scheme (LGPS) FRS102 credit based on the 31<sup>st</sup> July 2024 valuation was £317k (2022/23 £216k).

Fundamental restructuring costs were £349k (2022/23 £44k). No collective consultation took place in either 2023/24 or 2022/23, with the spend reflecting specific fine-tuning adjustments.

Other operating expenses at £14,397k (£16,006k 2022/23) were down by £1,609k or 10.1% on the prior year. This reduction principally relates to tight controls over major cost budgets, notably maintenance, marketing and IT, despite inflationary pressures particularly around utility costs.

Depreciation and bank interest costs are broadly in line with the prior year. The FRS102 nil charge for interest on the defined pension liability reflects the current positive actuarial valuation (2022/23 charge £44k), see note 23.

Reflecting all the above the deficit before other gains and losses has increased to £4,336k (£1,647k in 2022/23).

The actuarial loss essentially reverses the FRS102 credits noted above, in order to maintain a neutral defined benefit position on the balance sheet rather than recognising an unrealisable asset. This follows several years of volatility in actuarial assumptions – a £6,789k gain in 2022/23, £50,677k gain in 2021/22, £1,676k gain in 2020/21, £15,638k loss in 2019/20 and £10,560k loss in 2018/19, further detail can be seen in note 23.

Cash at 31 July 2024 was £6,052k (£6,529k 2022/23). Net cash flow from operating activities for the year was £1,019k inflow (£3,311k inflow in 2022/23). Both years benefit from significant cash advances, which unwind as projects are completed or clawbacks are applied.

## Warwickshire College

In January 2025, as a key action within the Financial Notice to Improve and the Single Improvement Plan, the College successfully negotiated the refinancing of its entire £3m facility from Lloyds Bank to the Department for Education. This decisive step not only resolved the technical default position associated with the commercial lender but also restructured the debt on terms that support long-term sustainability, significantly extending the repayment profile.

Furthermore, the Department for Education provided an additional £1m loan facility specifically to assist in the immediate settlement of historic audit clawbacks. This collaborative approach to refinancing has been instrumental in stabilising the College's cash flow, removing immediate liquidity pressure, and creating the financial headroom necessary for the Executive Leadership Team to drive the turnaround strategy effectively.

Warwickshire College Ltd, a wholly owned subsidiary of Warwickshire College, is an employment company and during the year supplied services to the College totalling £12,296k (£10.423k 2022/23).

### Financial results

The College presents its financial statements under FRS102 and the 2019 FE HE SORP.

The Group generated a deficit before other gains and losses of £4,337k (2022/23 £1,647k), after charging depreciation of £3,632k (2022/23 £3,495k).

The Financial Reporting Standard (FRS102 – Section 28) pension adjustment again had a material impact on the financial statements during the year. A credit of £317k (2022/23 a credit £216k) for staff costs and a nil charge (2022/23 charge £44k) for finance costs were included in the operating deficit above. In addition, there was an actuarial loss of £991k (2022/23 £6,789k gain) which was recorded in the Statement of Comprehensive Income and Expenditure. The underlying actuarial gain was £19,891k, but this was capped to avoid recognising an unrealisable asset.

The funding received from ESFA was £35,158k excluding the funding clawbacks described above (2022/23 £33,946k), this included £1,003k (£835k 2022/23) to compensate for Teachers' Pension cost increases and grant funding released to income of £2,134k (£2,627k 2022/23) to offset spend on enhancing the quality and condition of the College estate. In addition £294k (£303k 2022/23) of adult funding was received from the West Midlands Combined Authority. Office for Students funding decreased to £890k (2022/23 £934k) reflecting lower student numbers.

Tuition fees and education contract income was down to £9,830k (2022/23 £10,083k) principally due to lower student numbers on Higher Education courses.

Other grants and contracts reduced to £187k (2022/23 £497k), principally due to the end of a European Social Fund project.

Other income was recognised at £4,233k (2022/23 £4,560k).

### Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Following reclassification in November 2022 Colleges are unable to borrow commercially without express permission of the Department for Education.

### Cash flows and liquidity

Net cash flow from operating activities was an inflow of £1,694k (2022/23 £3,311k inflow). Net cash flow from investing activities was an outflow of £1,239k (2022/23 £1,959k). Cash and bank in hand was £6,052k and Bank loans £4,000k resulting in cash net of debt of £2,052k (2022/23 £1,829k). See note 19.

At the year end the College had the following loans financed through Lloyds Bank plc. A secured term loan (£9m) of which £4.0m was available and that was fully drawn, with interest rates fixed for the full period ending September 2027.

Since the Balance Sheet date of these accounts, £1m of the Lloyds loan was repaid in September 2024 in line with terms and the other £3m was refinanced to a DfE loan in January 2025. No defaults exist on the DfE loan.



# Warwickshire College

## Reserves Policy

The College has adopted a reserves policy that recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date total unrestricted reserves stand at £54,619k (2022/23 £59,965k). It is the Corporation's intention to increase underlying reserves over the life of the strategic plan through the generation of annual operating surpluses.

Reserves will remain vulnerable to actuarial fluctuations on LGPS and more generally on funding needs of both the Teacher Pension and LGPS schemes, with the former being unfunded.

## Resources

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

Tangible fixed assets of £90,839k (2022/23 £93,114k) included the College's seven College sites at Royal Leamington Spa, Rugby, Moreton Morrell, Pershore, Warwick Trident, Evesham, & Malvern Hills. The latter site has been closed since lockdown in March 2020 and was sold in March 2025. The Evesham campus was closed at the end of the 2024/25 academic year and is now on the market, following a public consultation and governor approval during 2025.

The College has £54,619k (2022/23 £59,965k) of net assets including £Nil defined benefit obligations (2022/23 £Nil) and net cash of £2,052k (2022/23 £1,829k).

## Group companies

The College has one subsidiary company, Warwickshire College Ltd. Warwickshire College Enterprises Ltd, Digital West Midlands Limited and Moreton Hall FEC were all dissolved on 6 May 2025. Warwickshire College Ltd commenced trading on 1 August 2017 as an employment company, whilst Warwickshire College Enterprises Ltd, Digital West Midlands Limited and Moreton Hall FEC all were dormant during the year.

## Future Prospects

### Budget and actuals for 2024/25

The financial budget for 2024/25 was, as usual, prepared by a combination of a top down modelling exercise and a bottom up build, with the two approaches being made to converge, as clarity around issues emerged. All budgets are dependent on a series of assumptions and the College endeavours to be cautious in its projections. The budget for 2024/25 and an indicative plan for 2025/26 were initially approved by the Board in July 2024, prior to submission to the ESFA at the end of the month as required.

Following an FE Commissioner Health Check review in July 2024, a recovery plan was prepared and the updated budget from this process was approved by the Board on 7<sup>th</sup> October 2024, prior to submission to the ESFA. It was also recommended by the DfE that the College should be put into intervention and a Financial Health Notice to Improve was issued on 26<sup>th</sup> September 2024. The recovery plan shows the College returning to a "Requires Improvement" Financial Health Score in 2024/25 returning to a "Good" Financial Health Score in 2025/26. These projections form the basis of the refinancing package formalised with Lloyds and the DfE in January 2025.

The Group significantly outperformed the budget by >£3.5m, generating a surplus total comprehensive income for the year of £1,904k against a deficit budget of £1,644k. Cash at 31 July 2025 was £9,629k (£6,052k 2023/24). Net cash flow from operating activities for the year was £6,291k inflow (£1,693k inflow in 2023/24).

## Going Concern

The activities of the College and Group, together with the factors likely to affect its future development and performance, are set out in the Strategic Review. The financial position of the College and Group, its cash flow, liquidity and borrowings are described in the financial statements and accompanying notes.

## Warwickshire College

Over the last 18 months a new Executive Leadership Team has been in place that has been fully focused on turning around the financials of the College. This has involved a number of important factors, starting with refinancing the previous commercial loans in place, with the DfE in order to remove covenant breaches and re-profile repayments over a longer period to strengthen forecast cash flows and improve the current ratio. This was critical as at the same time the DfE were in the process of completing funding audits covering the academic years 2019/20 to 2022/23. This process completed in December 2025 and all clawbacks due from that process have been repaid. The total clawback figure from the audits was £3.7m, further funding review outside of the main funding audit took the total clawback figure up to almost £5m.

As noted above, the improvement in financial performance between 2023/24 and 2024/25 has been significant, in part helped by lagged 16-19 funding and growing student numbers, but also by a focus on financial control. In particular, agency spend was significantly reduced and non-pay costs well controlled. From a strategic estates perspective, the sale of Malvern Hills campus was completed and for 2025/26, Evesham campus students transferred to the Pershore campus. Based on staff and student feedback, this has been a strong success academically while also allowing the College to reduce pay and non-pay costs and reduce pressure on capital expenditure. The Evesham campus site is now in the process of being sold.

To ensure the issues that led to funding audit clawbacks do not get repeated, a significant amount of work has gone into enhancing the MIS systems in place around income. This is always an ongoing process but significant progress has been made.

All of the above has led to the improvement in cash and the current ratio which can be seen in the 2024/25 annual accounts.

Governors have therefore considered the cash flow position of the College and have concluded that there is a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

### **Student success**

Our new Strategic Plan 2025/2028 places Students as the first pillar of everything we do. Within this pillar, Warwickshire College is committed to inclusive education and to removing barriers so that all learners can fulfil their potential and be successful in moving on to their chosen careers or further study. Learners and apprentices with special educational needs and disabilities (including those with EHCPs and neuro-divergent learners) can access, participate in and succeed on our programmes. We will provide reasonable and appropriate adjustments, tailored support, person-centred planning and timely transition arrangements, so every student has the opportunity to achieve strong outcomes and progress to further study, apprenticeships or employment. In line with this pillar, we will design accessible curricula and assessment; invest in specialist support and assistive technologies where needed; build staff capability through training; and continuously improve the physical and digital learning environment. We actively welcome applications from all potential learners, encourage safe disclosure, and work in partnership with students, parents and carers, schools, local authorities and specialist agencies to coordinate effective support. We recognise that sound financial planning and stewardship are critical to delivering these outcomes. Resources for high-needs and wider learning support will be aligned to need, deployed efficiently and monitored for impact. We will track participation, retention, achievement and progression for all learners, identify and address any disparities between different cohorts of learners, and comply with all relevant statutory duties, including the Equality Act 2010 and the SEND Code of Practice - ensuring investment is targeted and effective so that student success remains the defining measure of our performance.

External assurance supports this approach. In May 2024, Ofsted judged the College “Good” overall (and across all key judgements) and noted a reasonable contribution to meeting skills needs. Inspectors highlighted leaders’ strong understanding of local and regional skills priorities, sensible and coherent curriculum planning and sequencing, expert teaching that secures and deepens learning, and effective governance that supports and strengthens leadership and strategic direction. They also recognised effective provision for learners with SEND—for example, on ready-for-adulthood courses where learners build trust and confidence, develop core job skills and make sustained progress over time. In February 2024, a Social Care Inspection of our residential facilities also resulted in a “Good” outcome.

## **Warwickshire College**

Our higher education quality and governance have likewise been confirmed. Following scrutiny by the designated quality body, our Foundation Degree Awarding Powers are now indefinite and Bachelor Degree Awarding Powers have been confirmed as indefinite from January 2025. Warwickshire College remains registered with the Office for Students. These judgements, alongside our Students pillar, reinforce our commitment to inclusive excellence, robust quality assurance and prudent stewardship that enables learners to achieve and progress.

The College had approximately 8,450 learners (2022/23 8,200, previously published as 9,376, the change due to a different method of calculation used for 2023/24, and the prior year for consistency), in the following categories; 3,600 16-19 funded learners (2022/23 3,450); 1,500 apprentices in learning (2022/23 1,600); 1,300 adult skills funded learners (2022/23 1,300); 1,300 full cost recovery learners (2022/23 1,100); 650 higher education learners (2022/23 650), 100 pre-16 learners (2022/23 100).

### **Student involvement**

The College continues to improve its responsiveness to students through robust and extensive student involvement activities, empowering students to affect change within the College community. Students have welcomed the opportunity to contribute to the development of the College through events such as the Student Parliament, Student Councils, the Student Union, and by taking an active role in College committees.

### **Student Achievements**

Students continue to achieve well at the College. Achievement rates are good for further and higher education students. Students continue to progress to positive destinations on completion of their course with 95% of FE students moving into sustainable employment, further or higher education.

### **Safeguarding**

Warwickshire College is committed to continuous improvement in safeguarding as a core element of its culture. In response to evolving behavioural challenges across wider society, the College has commenced a comprehensive, group-wide review of safeguarding and student security. This review will strengthen policies, training, and partnership working, and will include updates to the College's safeguarding structure to ensure clear leadership, consistent practice across campuses, and enhanced preventative and responsive measures. The College's aim is to further assure the safety and wellbeing of students, staff, and visitors while sustaining an open, inclusive learning environment. Procedures are reviewed and updated each year in line with the latest statutory guidance, Keeping Children Safe in Education 2025. The College uses MyConcern software to record all Safeguarding concerns and provides regular reports to the Safeguarding and Prevent Committee. Support and challenge is provided by the College's Link Governor for Safeguarding who reports directly to the Corporation Board on Safeguarding activity.

### **Prevent strategy policy statement**

Warwickshire College is committed to supporting the national Prevent agenda, Section 26 of the Counter Terrorism and Security Act 2015 which places a duty on Further Education Colleges to 'have due regard, in the exercise of its functions, to prevent people being drawn into terrorism'. The College Prevent Strategy states that all staff, including sub contracted and agency staff, board members and volunteers within an organisation must understand their Prevent related responsibilities, especially in the context of safeguarding.

### **Stakeholders**

Another of the four pillars in the College's new Strategic Plan is the Stakeholders pillar. This focuses on being a trusted partner to employers, local authorities, schools, universities and community organisations - listening to their priorities, co-designing pathways that widen participation and progression (including for those furthest from learning or work), and aligning adult, technical and apprenticeship provision to local, regional and national needs. Through this pillar we aim to create shared value, improve social mobility and strengthen our civic contribution across every district and borough.

#### **Priorities**

- Deepen collaboration with employers, local authorities, schools, universities and the voluntary sector to co-design provision and clear pathways
- Widen participation and improve social mobility through targeted outreach, transition support and inclusive progression routes (including for SEND and those furthest from learning or work)

## Warwickshire College

- Align adult, technical and apprenticeship provision to current and future skills needs, using labour-market intelligence and employer feedback
- Drive adult upskilling and reskilling and expand higher technical skills to meet local, regional and national demand
- Expand high-quality work experience, industry projects and employer-led enrichment to strengthen progression into jobs and further study
- Establish clear mechanisms for stakeholder voice and accountability (forums, partner feedback, impact reporting)
- Increase community impact through shared use of facilities, volunteering and civic partnerships
- Streamline employer engagement and account management so partners have a single, responsive route into the College
- Monitor impact with simple, transparent measures (participation, progression, employer satisfaction and local skills outcomes)

Ofsted (May 2024) recognised the College's strong employer and stakeholder links at strategic and curriculum levels, including how employer forums inform curriculum so learners develop current industry skills. Building on this, the College has continued to expand partnerships and sustain the breadth of apprenticeships, while our Business Development Team supports bespoke training for companies of all sizes. Current partners include (for example) Alstom, Babcock, Cummins, Jaguar Land Rover, National Trust, Severn Trent, Siemens, Taylor Wimpey, Talent, Audley Group, Sanctuary Group, Medivet, Coventry City Council, Rugby Borough Council, Warwickshire County Council, Coventry University, the University of Warwick and the University of Worcester.

### Our Staff

The Staff pillar recognises that our people are a key, integral part of the College's direction of travel. Within the staff pillar - we will attract, develop and retain excellent colleagues, offer clear progression and fair reward, and foster an inclusive, supportive culture where every person can contribute to outstanding outcomes for learners and communities while securing the College's long-term success.

WCG's new Strategic Plan places "Staff – Our People, Our Values" at the heart of delivery. Our aim is to attract, develop and retain exceptional people, with clear pathways for progression, fair and competitive reward, and a culture where every colleague feels valued, respected and able to contribute. We will embed succession planning across every area, strengthen leadership development (including mentoring for aspiring leaders), and implement a transparent pay and progression framework aligned to market benchmarks. We will also deliver a Holistic Wellbeing Framework and foster inclusive practices that reflect the diversity of our communities.

Operationally, staff are engaged through campus forums and regular talks from senior leaders, termly recognition events and an annual staff conference to celebrate achievements and align on priorities. We are enhancing two-way dialogue via dedicated digital and physical spaces for staff feedback, with clear follow-through on actions. Our internal communications—anchored by an active intranet—provide consistent updates on strategy, performance and change, helping colleagues feel informed and connected to our mission and values. Through this approach, we will build an engaged, future-ready workforce, equipped with the skills, support and leadership needed to deliver outstanding outcomes for students, stakeholders and the sustainability of the College.

### People

The College employs 1,290 (2022/23 1,254) people, a total FTE of 838 (2022/23 843).

### Trade union facility time for the period 1 April 2023 to 31 March 2024

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.

### Relevant Trade Union Officials

Numbers of employees who were relevant union officials during the relevant period	FTE employee number
4	4

## Warwickshire College

### Percentage of time spent on facility time

Percentage of time	Number of employees	
0%	0	
1-50%	4	
51-99%	0	
100%	0	
Total cost of facility time		£46k
Total pay bill		£33.2m
Percentage of total bill spent on facility time		0.14%
Time spent on paid trade union activities as a percentage of total paid facility time	100%	

### Equality and diversity

Warwickshire College is committed to serving the wider community by developing equality of opportunity in all of its actions and by supporting human rights. The aim of the College is that everyone is given reasonable and appropriate support and the opportunity to reach their full potential. In fulfilling this aim the College works proactively to ensure that no one is disadvantaged as a result of their protected characteristics:

- age
- disability
- gender reassignment
- race
- marriage and civil partnership
- pregnancy and maternity
- religion/beliefs
- sex
- sexual orientation

The College actively promotes harmony between different groups and encourages both tolerance and understanding of the beliefs of others. The College is committed to recognising the achievements of all members of the College community. The College community is defined as places where College functions take place and includes all out-reach centres, work placements, employer premises and other venues where activities are taking place in the name of, or on behalf of, the College.

Every member of this Community has a responsibility to tackle and eliminate discriminatory behaviour including bullying, harassment and intimidation. Visitors, contracted personnel and partners will be required to ensure that equality is upheld both in principle and practice, when visiting or working with the College.

Public Sector Equality Duty came into force in 2011. The Equality Duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all.

Complying with the Equality Duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

Under the Equality Duty the College is required to:

- publish information to demonstrate their compliance with the Equality Duty, at least annually; and
- set equality objectives, at least every four years

Warwickshire College has an established Equality and Diversity Steering Group that ensures compliance with the Public Sector Equality Duty. There is a Link Governor for Equality and Diversity who attends the steering group meetings.

# Warwickshire College

## Encouraging participation of under-represented groups

The College is proactive in identifying under-represented groups and encouraging them to participate by developing flexible provision in appropriate surroundings within the College community. The College recognises that it has an opportunity to model equal access and empower all groups including disabled, ethnic, religious and socially & economically disadvantaged and will:

- Try to recruit governors who are representative of the student population and/or community;
- Encourage the widest participation from students, parents, lecturers and employers;
- Support individuals and community groups to express their case on matters affecting themselves and their community; and
- Encourage all employers to support their workforce in their learning.

This policy is representative of the College core values and will be monitored through the College Single Equality Scheme and associated actions.

The College in all its activities will endeavour to:

- Promote Equality and Diversity throughout the student journey and in particular in teaching and learning and in all areas of the curriculum;
- Provide vision and strong leadership in all aspects of equality, diversity and tolerance with all our stakeholders, students and staff;
- Respond to the needs of individual learners and seek to include those who are disaffected or marginalised;
- Provide the appropriate environment and facilities for all staff and not limit the equality of opportunity for particular staff;
- Provide the appropriate environment and facilities for all groups of students and not limit the equality of opportunity for particular groups;
- Ensure that all groups of students are supported to achieve their maximum potential;
- Consult with representatives of community groups, employers and other external organisations to inform the planning of specific learning programmes, initiatives, programme planning and curriculum development;
- Operate an admissions system that promotes tolerance of the beliefs of others, that is sensitive to all prospective students and staff and offers the relevant advice and guidance;
- Give prospective students (where appropriate) the opportunity to visit the College, so that they can make an independent judgement as to whether the environment is suitable;
- Provide reasonable support systems to students by encouraging disclosure, assessing their particular needs and publicising additional support arrangements including any costs incurred;
- Publicise childcare facilities and costs;
- Ensure that staff recruitment systems are compliant with equality legislation;
- Induct students and staff and raise their awareness of the Equality & Diversity Policy;
- Monitor feedback via the Customers Services team for issues that relate to Equality & Diversity to ensure that the College does not indirectly discriminate against one particular group/groups;
- Provide opportunities for students to take part in a wide range of activities;
- Ensure good equality and diversity practice in organisations where students take part in work based learning and employer engagement;
- Encourage and support all employers and suppliers to develop Equality & Diversity Policies;
- Ensure that assessment and examination methods are fair;
- Promote that the College is representative of the community it supports and make sure that all students, governors, volunteers and staff understand that our value of tolerance relating to the beliefs of others is central to everything the College does;
- Promote British Values within the College and specifically the aspects regarding mutual respect and tolerance of different faiths and beliefs.

## Gender pay gap reporting – The College

	Year ending 31 March 2024
Mean gender pay gap	16.36%
Median gender pay gap	11.69%
Mean bonus gender pay gap	0%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0%/0%



## Warwickshire College

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	24%	76%
2 – Lower middle	35%	65%
3 – Upper middle	46%	54%
4 – Upper quartile	41%	59%

### Gender pay gap reporting – Warwickshire College Ltd

	Year ending 31 March 2024
Mean gender pay gap	14.43%
Median gender pay gap	8.34%
Mean bonus gender pay gap	0%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0%/0%

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	25%	75%
2 – Lower middle	23%	77%
3 – Upper middle	32%	68%
4 – Upper quartile	49%	51%

The College publishes its annual gender pay gap report on its website.

### Sustainability

The final pillar of the College's new Strategic Plan is Sustainability. This pillar recognises that environmental responsibility is inseparable from educational quality and financial resilience: efficiencies in energy, estates, procurement and travel reduce operating costs and release resources for teaching, support and facilities. We will integrate climate action into strategy, budgeting and risk management, treating carbon, energy and waste as material financial factors alongside quality, compliance and student outcomes. Through this pillar we will protect the environment, lower operating costs, build climate resilience across our campuses and equip students with the skills to thrive in a greener economy, ensuring sustainability contributes directly to the long term success of the College.

Focus areas:

- Embed sustainability across the curriculum and student experience so every learner gains the knowledge, skills and behaviours needed for a low carbon economy
- Make sustainability a core consideration in management decisions, including capital planning, maintenance, fleet, digital infrastructure, procurement and travel, using whole life cost and carbon assessments
- Improve environmental performance each year by reducing energy use and emissions, increasing on site generation where viable, cutting waste and water consumption, and accelerating the transition away from fossil fuels across the estate
- Grow green skills provision for adults, apprentices and higher technical learners in line with employer demand and regional priorities, co designing pathways into growth sectors
- Work with local communities and partners through transparent reporting, campaigns and projects that support environmental improvement and shared benefits.

Warwickshire College has successfully certified to The Planet Mark for the reporting period 1 August 2023 to 31 July 2024. This eleventh year of certification reflects sustained action to reduce energy use and carbon emissions. The Planet Mark recognises continuous improvement, encourages practical action and supports a community committed to measurable progress.

# Warwickshire College

			1 Aug 2022 - 31 Jul 2023			1 Aug 2023 - 31 Jul 2024		
Source	Scope	Unit	Amount	Amount (kWh)	Total Emissions (tCO <sub>2</sub> e)	Amount	Amount (kWh)	Total Emissions (tCO <sub>2</sub> e)
Building								
Electricity (location based)	2	kWh	4,787,575.57	4,787,575.57	991.38	4,178,489.70	4,178,489.70	865.16
Electricity (market based)	2	kWh	4,787,575.57	4,787,575.57	1,744.54	4,178,489.70	4,178,489.70	128.65
Natural Gas	1	kWh	6,578,596.94	6,578,596.94	1,203.42	5,891,483.17	5,891,483.17	1,077.55
Transmission and Distribution Losses	3	kWh	4,710,728.57	-	84.39	4,091,016.70	-	74.87
Gas Oil	1	litres	17,094.00	170,290.43	47.10	14,195.00	143,341.11	39.11
Fuel Oil	1	litres	50,172.00	554,651.46	159.29	45,526.00	506,749.91	144.54
Petrol fuel	1	litres	296.65	2,659.47	0.62	-	-	-
Wood fuel (Biomass)	1	tonnes	53.81	203,294.20	2.18	19.52	73,746.56	0.83
LPG	1	litres	95,957.00	650,588.46	149.42	94,577.00	639,435.10	147.27
Diesel fuel	1	litres	2,564.59	25,350.97	6.44	-	-	-
Waste								
Recycled	3	tonnes	1,254.43	-	26.70	1,216.78	-	7.80
Landfill	3	tonnes	1,495.65	-	778.24	1,445.83	-	752.31
Water								
Water supply	3	m³	105,042.00	-	18.56	84,563.00	-	12.95
Water treatment	3	m³	05,042.00	-	21.15	84,563.00	-	15.71
Fleet Travel								
Vehicle - fleet - diesel	1	litres	38,457.43	380,151.70	96.61	38,567.65	381,472.63	96.91
Vehicle - fleet - petrol	1	litres	3,601.98	32,291.75	7.56	3,495.13	23,197.18	7.29
Business Travel								
Vehicle - non-fleet - unknown	3	km	1,149,667.40	790,143.41	191.58	754,217.62	521,677.24	125.89
Total - Location based			14,175,594.43,784.6			12,359,592.63,368.2		
Total - Market based			14,175,594.44,537.8			12,359,592.62,631.7		

## Warwickshire College

Intensity Metric	Total	Total tCO <sub>2</sub> e	Intensity	Total	Total tCO <sub>2</sub> e	Intensity
Total per £1m turnover - location based	51.7	3,784.6	72.8	51.0	3,368.2	66.0
Total per £1m turnover - market based	51.7	4,537.8	87.3	51.0	2,631.7	51.6
Total per employee - location based	995	3,784.6	3.8	1,009	3,368.2	3.3
Total per employee - market based	995	4,537.8	4.6	1,009	2,631.7	2.6

Reductions	Reduction tCO <sub>2</sub> e	Reduction %
Location based	-416.4	-11.0%
Market based	-1906.1	-42.0%

### Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for the payment to suppliers within 30 days is 95 per cent which is a target the College strives to meet. The College incurred no interest charges in respect of late payment for this period.

### Principal risks and uncertainties

The Executive Team undertakes a comprehensive review of the risks to which the College is exposed, assigning an accountable risk owner for each risk. The College identify systems and procedures, including specific preventative actions, to mitigate potential impact and to capture any new or emerging risks arising from strategic developments. Internal controls are then implemented and monitored. In 2025/26 this work has been reframed in the context of the new Strategic Plan, and an updated Risk Appetite Statement has been adopted by the Executive and taken through the Audit and Risk Committee and approved by the Board.

A Strategic Risk Register is maintained at College level and reviewed at every Audit and Risk Committee meeting. This register is derived from, and supported by, a single database of detailed risk registers that cover all curriculum, commercial and support areas, extending risk identification and assessment across all functions. The Committee also undertakes rolling deep dives with designated risk owners. All risks are assessed using a consistent scoring methodology for likelihood and impact, and each record sets out the key controls, planned mitigations and assurance sources.

### Risk appetite and governance

Our Risk Appetite Statement provides the framework for risk based decision making across the College. It confirms zero appetite for Safeguarding and Learner Welfare, low appetite for Regulatory, Compliance and Funding, Curriculum and Quality, Financial Management, Workforce and People, and Reputational risk, medium appetite for Technology and Innovation, Stakeholder and Partnership Management, and Estate and Infrastructure, and a high appetite for controlled Strategic Growth where the benefits are evidenced and risks are actively managed. The Statement was prepared and approved by the Executive Team and recommended by the Audit and Risk Committee in September 2025 and approved by Board in October 2025.

Key strategic risks, no particular order

- Poor student achievement, progression or destinations, including differential outcomes
- Profitable income growth not delivered, including under recruitment and shortfall in commercial targets
- Adverse impact of external change, policy, funding, cost inflation, local demographics
- Failure to maintain financial stability, liquidity and covenant compliance
- Major regulatory or compliance breach, DFE, OfS, Ofsted, UKVI, data protection
- Failure to attract, develop or retain staff and leaders in critical role
- Major Health and Safety incident
- Major Safeguarding incident, zero risk appetite applies

## Warwickshire College

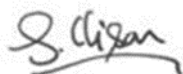
- Business interruption due to loss of access or damage to a College site, including security incidents
- Business interruption due to loss or compromise of IT infrastructure or cyber attack
- A poor external quality outcome, for example Ofsted or HE quality judgements
- Failure to respect and promote equality, diversity and inclusion
- Disruptive impact, or unmanaged adoption, of Artificial Intelligence and other technologies
- Estate and infrastructure not fit for purpose or lacking resilience, including sustainability and compliance
- Partnership failure or stakeholder misalignment impacting curriculum relevance and employer demand

As part of the risk management process, appropriate mitigating actions are identified and implemented for each risk, with assurance mapped to management monitoring, internal audit, compliance reviews and external scrutiny. The Risk Appetite Statement guides the evaluation of new initiatives, including full financial cases, measurable success criteria and post implementation reviews, to ensure that opportunities, particularly for controlled strategic growth, are pursued within defined tolerances while safeguarding quality, compliance and financial resilience.

### 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 22 January 2026 signed on its behalf by:**



**G Clipson**  
**Chair of the Corporation**

## **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 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in accordance with the UK Charity Governance Code ("the Code") insofar as it is applicable to the further education sector.

In the opinion of the Governors, the College complies with all the provisions of the Code, which it adopted in March 2022, and has complied throughout the year. This opinion is based on an internal compliance review reported to the board on 17 December 2024. A gap analysis review against the code was undertaken in December 2025 and endorses the opinion of the Governors that the College complies with the provisions of the code. The College is committed to exhibiting best practice in all aspects of corporate governance and has adopted the AoC Senior Post holders' Remuneration Code. 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. The College has not adopted the UK Corporate Governance Code 2018, but the corporation has due regard to its principles and guidance.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

### **Regulatory Engagement and Strategic Turnaround**

In July 2024, at the request of the Governors, the Board proactively engaged the Further Education Commissioner's team to undertake a full and transparent health check of the organisation. Following this review, and acknowledging the deficit position for the financial year 2023/24, the Department for Education issued an Intervention Financial Health Notice to Improve on 28 September 2024.

This intervention marked the beginning of a period of significant positive transformation for the College. With immense support from both the Department for Education's Place-Based Team and the Further Education Commissioner's team, the College developed a comprehensive Single Improvement Plan. This rigorous plan contained nearly 80 distinct strategic and operational actions designed to address the underlying financial position and governance structures.

Under the leadership of the new Chief Executive Officer, appointed on 1 September 2024, the College has successfully executed this plan. At the time of writing, management can confirm that all 80 actions within the Single Improvement Plan have been completed. The finalisation of the legacy audits represented the last fundamental outstanding issue in this process, demonstrating the considerable progress made between the commencement of the health check and the signing of these accounts.

### **DfE Funding Audit and Legacy Resolution**

As detailed above, between summer 2023 and December 2025, the Department for Education completed funding audits covering the period from 2019/20 to 2022/23. The audits identified a specific clawback liability of £3.7m. This figure, combined with other historical adjustments, specifically underspends and over-claims on allocations, including the Apprenticeship Trailblazer fund, resulted in a total repayment to the Department for Education exceeding £5m.

It is a testament to the College's renewed financial resilience that all such liabilities have been repaid by January 2026. The 2023/24 accounts have been updated to reflect the reduction in income where this was not accounted for in the 2022/23 accounts, with corresponding adjustments against income and current liabilities.

## Leadership Structure and Assurance for 2024/25

To ensure the permanence of these improvements, the Chief Executive Officer has implemented a new Executive Leadership Team, including a new Chief Financial Officer and a new Chief Information Officer, both selected for their significant experience in managing complex Management Information Systems. Additionally, the Employer Services team has been reinforced by a new Apprenticeship Compliance Manager with specialist experience in audit protocol.

This new structure has been instrumental in clearing the legacy audits and remediating processes. As a result, the College has secured full funding assurance from RSM for the academic year 2024/25. This confirms that historical errors are isolated to the legacy period and that current data controls are robust.

## The Corporation

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

Key to abbreviations:

ASQA	Academic Standards and Quality Assurance Committee
AUDIT	Audit Committee
RES	Resources Committee
SG	Search and Governance Committee
REM	Remuneration Committee
STRAT	Strategy Day & Board briefings

Name	Date of Appointment and most recent re-appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance as a Member During 2023-24
O Adams	April 2023	4 years		Staff	Member of ASQA	Corporation 66.7% ASQA 0%
C Bradshaw	January 2015 1/1/2025 – 31/7/2026	2 years		External	Chair of Audit (to 31/07/2024) Chair of RES (from 1/9/2024) Member of SG Member of REM	Corporation 100% Audit 100% SG 100% REM 100% Strategy Day 100%
G Clipson	January 2017 1/08/24- 31/07/26	2 years		External	Chair of Corporation (from 13/12/2022) Vice Chair of Corporation (to 13/12/2022) Chair of SG	Corporation 100% ASQA 100% RES 100% SG 100% REM 100% Strategy Day 100%
P Cresswell	February 2023 February 25 to February 2029	4 years		External	Member of ASQA	Corporation 75% ASQA 50% Strategy Day 100%
J Davies	December 2024	2 years	28/02/2025	External	Member of RES (from 1/12/24)	N/A
N Eastwood	August 2016 July 2021 to July 2025	4 years		External	Member of Audit	Corporation 87.5% Audit 100% Strategy Day 100%
J Gulrajani	January 2021 01/01/23- 31/12/26	4 years		External	Member of ASQA	Corporation 62.5% ASQA 50% Strategy 100%
C Hooper	April 2018 April 2020	4 years	31/3/2024	External	Member of RES	Corporation 100% RES 100% Strategy Day 100%



## Warwickshire College

C Hollingsworth	December 2024	2 years		External	Member of RES (from 1/12/24)	N/A	
P Husband	January 2024	N/A	31/8/2024	Interim CEO and Principal	Ex-Officio RES and ASQA Committees (1/1/24 – 31/8/24)	Corporation 100% RES 66.7% ASQA 100% Strategy Day 100%	
W Hubbard	May 2023 20/04/25-29/04/29	4 years		External	Chair of Audit (from 1/8/2024) Member of Audit	Corporation 100% Audit 100% Strategy Day 100%	
A Joyce	April 2015	N/A	31/12/2023	CEO	Ex-Officio RES and ASQA Committees	Corporation 100% RES 100% ASQA 50% Strategy Day N/A	
J Keating	December 2024	2 years		External	Member of ASQA (from 1/12/24)	N/A	
L Jordan	September 2023	4 years	October 2025	Staff	Member of RES	Corporation 100% RES 100% Strategy Day 100%	
L Kirk	August 2023	4 years	31/3/2024	Staff	Member of ASQA	Corporation 100% ASQA 50% Strategy Day 100%	
L Lovett	September 2023	2 years	July 2025	Student	Member of ASQA (to 30/11/24)  Member of RES (from 1/12/24)	Corporation 100% ASQA 100% Strategy Day 100%	
D Marshall	September 2022	2 years		Student	Member of ASQA	Corporation 12% ASQA 75% Strategy Day 0%	
B Hunt	December 2024	2 years	Resigned November 2025				
P Maguire	February 2023 February 2029	4 years		External	Member of RES	Corporation 87.5% RES 60% Strategy Day 100%	
L Norville	May 2019 20/04/25-29/04/29	4 years		External	Chair of ASQA Member of SG Member of REM	Corporation 100% ASQA 100% SG 100% REM 100% Strategy Day 100%	
M Rhodes	February 2023 February 2025 to February 2029	4 years		External	Member of RES (to 30/11/24)  Member of Audit (from 1/12/24)	Corporation 75% RES 40% Strategy Day 100%	
J Skinner	February 2023 February 2029	4 years		External	Member of RES	Corporation 75% RES 20% Strategy Day 0%	
SJ Watkins	September 2024	N/A		CEO and Principal	Ex-Officio RES and ASQA Committees	N/A	
D Webb	November 2018 Four years to 31.10.26	4 years		External	Vice Chair of Corporation Chair of REM	Corporation 87.5% Audit 75% SG 100% REM 100%	

## Warwickshire College

					(from 13/12/2023) Member of Audit Member of SG	Strategy Day 0%	
S Williams	January 2017 January 2023	4 years	31/07/2024	External	Chair of RES Member of SG Member of REM	Corporation 87.5% RES 100% SG 50% REM 50% Strategy Day 100%	
W Young	December 2024	2 years	January 2025	External	Member of Audit (from 1/12/24)	N/A	

### The Governance Framework

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

The corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The corporation meets six times a year including a briefing evening and strategy day. Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings.

In addition to formal Board meetings and Strategy days, 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 Audit, Resources, Academic Standards and Quality Assurance, and Search and Governance and Remuneration. Corporation minutes, except those deemed to be confidential, are available on the College's website.

The Clerk to the Corporation maintains a register of financial and personal interests of the Members and Executive Leadership Team. The register is available for inspection from the Clerk to the Corporation:  
[Lloydwilliams@warwickshire.ac.uk](mailto:Lloydwilliams@warwickshire.ac.uk)

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. 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.

### Search and Governance Committee

The Corporation has a Search and Governance committee, consisting of five external 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. Members of the Corporation are appointed for a term of office not exceeding four years. The Corporation initially appoints governors for a period of two years, and members may be considered for reappointment for two further terms of four years each.

## Corporation Performance

### External Review

The governing body commissioned an external review which reported in July 2024. The Review found that WCG is a well governed further education College group, where governance leadership is provided by a committed and focused Board. The Board is ably led by a skilled Chair with great experience in the sector. The Board is well supported by an extremely knowledgeable Governance Professional who is directly accountable to the Board. The External Review focused in particular on Board dynamics and scope for governance improvements that would enhance the added value of the Board. The recommendations are detailed on the College website and has been incorporated into the Governance Development Plan for 2025-26.

### CEO and Principal Appointment

Angela Joyce left the College on 31st December to take up the post of Chief Executive and Principal of Capital City College. Peter Husband was appointed Interim Chief Executive and Principal from 1st January 2024 - 31 August 2024. Following a successful recruitment process Sara-Jane Watkins was appointed as WCG's new CEO and Principal and commenced her role on 1 September 2024.

### Training and Development

The Corporation is committed to training and development for its members and the Clerk to the Corporation and conducts an annual audit to evaluate this, and seek input from individual members on their training needs. Board members attend a range of events including regional governance conferences, induction and networking events.

Specialist sessions attended included:

- Meeting local Needs
- ONS re-classification
- Curriculum change
- Social mobility
- Mental health and Staff Well being
- Safeguarding, EIF update
- Board Portal implementation;
- Ofsted briefing

Our student governors also attended the joint ETF/Unloc Student Governor conference on Effective Governance. Members also complete regular Equality and Diversity and Safeguarding and Prevent training organised by the College.

The substantive Clerk to the Corporation was a qualified Company Secretary with over 18 years' experience. The subsequent interim appointments were well respected Governance Professionals holding relevant qualifications. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

## Remuneration Committee

Throughout the year ending 31 July 2024, the College's Remuneration committee comprised five external members of the Corporation. The committee's responsibilities in relation to Remuneration are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer, other senior post-holders and the Clerk to the Corporation.

The Committee has regard to performance target goals and objectives to ensure that the senior post-holders and the Clerk to the Corporation are fairly rewarded for their individual contributions to the College's overall performance and takes account of the regional and national contexts for the remuneration of comparable posts, and the financial health of the College. It demonstrates through membership, constitution and actions that the pay of the senior post-holders and the clerk is proposed by a Committee which has no personal interest in the outcome of its recommendations.

The Committee has adopted the AoC Senior Post holders' Remuneration Code. Details of remuneration for the year ended 31 July 2024 are set out in the financial statements.

## Audit Committee

The Audit Committee is comprised of five members, excluding the Chair of the Corporation and the Accounting Officer. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets three times a year 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 DfE, and the Office for Students, as they affect the College's business.

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

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

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

The Audit Committee met four times in the year to 31 July 2024. The members of the Committee and their attendance records are provided in the previous table.

## Internal control

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

The Corporation has delegated the day-to-day responsibility to the Chief Executive Officer, 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 in the Funding Agreement between Warwickshire College and the funding bodies. The Chief Executive 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 Warwickshire College for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements.

## Review of Control Weaknesses and Regulatory Collaboration

During the year, the identification of historical control weaknesses related to legacy funding data was managed through open and transparent collaboration with the Department for Education, the Further Education Commissioner's team, and both internal and external auditors.

The College's response to this collaboration has been decisive. Beyond working with statutory bodies, we have proactively engaged with expert consultants from within the sector and appointed a specialist Apprenticeship Compliance Manager to drive rigorous oversight. The significant work undertaken with the Department for Education regarding legacy audits and funding assurance has been instrumental in transforming our control environment. Management has utilised this experience to fundamentally develop and enhance our internal reporting processes, ensuring a sophisticated approach to data governance moving forward. Following this period of rigorous review and remediation, the Corporation confirms that progress has been made in addressing legacy weaknesses. We continue to work proactively with our internal auditors, KPMG, to further refine and embed these controls, ensuring our systems remain robust and subject to ongoing review.

## Capacity to handle risk

The Corporation has reviewed the key strategic 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 year ending 31 July 2024 and up to the date of approval of the annual report and financial statements. 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.

The College has appointed an internal audit service, which operates in accordance with the requirements of the ESFA's Joint Audit Code of Practice. 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. The Internal Audit Service (IAS) provides the governing body with a report on internal audit activity in the College.

## Risks faced by the Corporation

The College maintains a comprehensive Strategic Risk Register that is owned by the Executive Team and reviewed at each Audit and Risk Committee, which reports to the Board. The register is supported by a single database of detailed risk registers for curriculum, commercial and support areas, extending risk identification and assessment across all functions. All risks are assessed using a consistent scoring methodology for likelihood and impact, and each record sets out the key controls, planned mitigations and assurance sources. The Audit and Risk Committee undertakes rolling deep dives with designated risk owners, and specific high risk areas are also monitored by relevant Board committees. The Strategic Risk Register is updated in line with the College's Risk Appetite Statement and the new Strategic Plan, ensuring that emerging risks from strategic developments are captured, internal controls are implemented, and assurance is monitored.

## Control weaknesses identified

From summer 2023 to December 2025, the College was subject to a series of funding audits and a comprehensive reconciliation of historic data. These reviews identified specific legacy control weaknesses which resulted in a clawback liability of £3.7m.

Furthermore, a wider review of historic funding streams identified instances of under-delivery against allocations and the retention of ineligible funding, specifically regarding the Apprenticeship Trailblazer fund. The cumulative impact of these legacy issues, comprising the specific audit liability and the return of these unutilised allocations, resulted in a total cash repayment to the Department for Education exceeding £5m.

The crystallisation and full settlement of these liabilities demonstrates the College's commitment to financial integrity. This process has served as the driver for material changes to the financial control environment. Under the direction of the new Executive Leadership Team, and in close collaboration with internal and external auditors plus the Department for Education, the College has fundamentally restructured its data governance and financial monitoring systems.

Following this period of rigorous review and remediation, the Corporation confirms that progress has been made in addressing legacy weaknesses. We continue to work proactively with our internal auditors, KPMG, to further refine and embed these controls, ensuring our systems remain robust and subject to ongoing review.

## Responsibilities under funding agreements

The Corporation receives reports on any significant changes identified in the annual funding agreements. Reports are scrutinised in the first instance by the Resources and Audit Committees.

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024, which has been released and is effective from 1 August 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which Department for Education approval is required.

## Statement from the Audit Committee

The Audit Committee is of the view that the College has adequate and effective governance, risk management and control processes to manage the achievement of its overall objectives subject to the past weaknesses highlighted in the control processes in relation to learner records and which have impacted on the College's financial position.

The specific areas of work undertaken by the Audit Committee in 2023-24 and up to the date of the approval of the financial statements are:

- IT General Controls
- Corporate Governance
- Key Performance Indicators
- OfS Regulatory Compliance
- Payroll
- Follow up on 2022/23 internal audit actions
- Health and Safety
- Human Resources Process
- ESFA Funding Assurance
- Core Financial Controls
- Follow-up on 2023/24 internal audit actions

All audit reports outline the level of assurance provided and the Audit Committee monitors progress on recommendations made. The Internal Auditor completes an annual follow up review to confirm that actions have been taken and new systems or processes are embedded. The Audit Committee heard directly from managers for each of these reports and was assured, in those areas where the auditors made recommendations that actions were being taken to mitigate against any risk.

## Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Accounting Officer's review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the regularity auditors, the appointed funding auditors in their management letters and other reports.

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

The executive leadership team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The executive leadership team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement.



## Warwickshire College

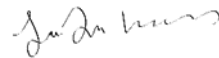
The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the executive leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the executive leadership team and internal audit, and taking account of events since 31 July 2024.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *“the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets”*.

**Approved by order of the members of the Corporation on 22 January 2026 and signed on its behalf by**



**G Clipson**  
**Chair of the Corporation**



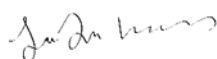
**SJ Watkins**  
**Accounting Officer**

**Statement of Regularity, Propriety and Compliance**

As accounting officer I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding noncompliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

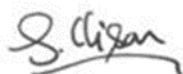


**SJ Watkins**  
**Accounting Officer**

**22 January 2026**

**Statement of the Chair of the Corporation**

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



**G Clipson**  
**Chair of the Corporation**

**22 January 2026**

### Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA and any other relevant 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, ESFA'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)
- 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, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. 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 ESFA and other public bodies are not put at risk.

**Approved by order of the members of the Corporation on 22 January 2026 signed on its behalf by:**



**G Clipson**  
**Chair of the Corporation**

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF WARWICKSHIRE COLLEGE GROUP

### Opinion

We have audited the financial statements of Warwickshire College Group (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2024 which comprise the consolidated and college statements of comprehensive income, the consolidated and college balance sheets, the consolidated and college statements of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2024 and of the Group's and the College's deficit of income over expenditure 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 Accounts Direction issued by the Department for Education.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the governors 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 Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

### 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 issued by the Department for Education requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

### Responsibilities of the Corporation of Warwickshire College Group

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 28, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## Warwickshire College

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and College operates in and how the group and college are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Department for Education and Regulatory Advice 9: Accounts Direction published by the Office for Students'. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing legal and professional expenditure.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities where appropriate.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing detailed substantive testing over revenue transactions including testing transactions recognised both pre and post year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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, as a body, in accordance with the Accountability Agreement published by the Department for Education and our engagement letter dated 27 April 2022. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

RSM UK AUDIT LLP  
Chartered Accountants  
103 Colmore Row  
Birmingham  
West Midlands  
B3 3AG

Date: 28 January 2026



## Consolidated and College Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	2	34,718	34,718	35,996	35,996
Tuition fees and education contracts	3	9,830	9,830	10,083	10,083
Other grants and contracts	4	187	187	497	497
Other income	5	4,233	4,233	4,560	4,560
Investment income	6	811	811	58	58
<b>Total income</b>		<b>49,779</b>	<b>49,779</b>	<b>51,194</b>	<b>51,194</b>
<b>EXPENDITURE</b>					
Staff costs	7	35,486	35,651	32,979	33,074
Fundamental restructuring costs	7	349	278	44	40
Other operating expenses	8	14,397	14,303	16,006	15,915
Depreciation	11	3,632	3,632	3,495	3,495
Interest and other finance costs	9	252	252	317	317
<b>Total expenditure</b>		<b>54,116</b>	<b>54,116</b>	<b>52,841</b>	<b>52,841</b>
<b>Deficit before other gains and losses</b>		<b>(4,337)</b>	<b>(4,337)</b>	<b>(1,647)</b>	<b>(1,647)</b>
Profit/(loss) on disposal of assets		(19)	(19)	375	375
<b>Deficit before tax</b>		<b>(4,356)</b>	<b>(4,356)</b>	<b>(1,272)</b>	<b>(1,272)</b>
Taxation	10	-	-	-	-
<b>Deficit for the year</b>		<b>(4,356)</b>	<b>(4,356)</b>	<b>(1,272)</b>	<b>(1,272)</b>
Remeasurement of net defined benefit pension liability		(991)	(991)	6,789	6,789
<b>Other Comprehensive Income for the year</b>		<b>(991)</b>	<b>(991)</b>	<b>6,789</b>	<b>6,789</b>
<b>Total Comprehensive Income for the year</b>		<b>(5,347)</b>	<b>(5,347)</b>	<b>5,517</b>	<b>5,517</b>

All items of income and expenditure relate to continuing activities.

**Consolidated and College Statement of Changes in Reserves**

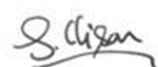
	<b>Income and Expenditure account £'000</b>	<b>Revaluation reserve £'000</b>	<b>Total £'000</b>
<b>Group</b>			
<b>Balance at 1st August 2022</b>	25,725	28,723	54,448
Deficit from the income and expenditure account	(1,272)	-	(1,272)
Other comprehensive income	6,789	-	6,789
Transfers between revaluation and income and expenditure reserves	486	(486)	-
<b>Total comprehensive income for the year</b>	<b>6,003</b>	<b>(486)</b>	<b>5,517</b>
<b>Balance at 31st July 2023</b>	<b>31,728</b>	<b>28,237</b>	<b>59,965</b>
Deficit from the income and expenditure account	(4,356)	-	(4,356)
Other comprehensive income	(991)	-	(991)
Transfers between revaluation and income and expenditure reserves	486	(486)	-
<b>Total comprehensive income for the year</b>	<b>(4,861)</b>	<b>(486)</b>	<b>(5,347)</b>
<b>Balance at 31st July 2024</b>	<b>26,867</b>	<b>27,751</b>	<b>54,618</b>
<b>College</b>			
<b>Balance at 1st August 2022</b>	25,725	28,723	54,448
Deficit from the income and expenditure account	(1,272)	-	(1,272)
Other comprehensive income	6,789	-	6,789
Transfers between revaluation and income and expenditure reserves	486	(486)	-
<b>Total comprehensive income for the year</b>	<b>6,003</b>	<b>(486)</b>	<b>5,517</b>
<b>Balance at 31st July 2023</b>	<b>31,728</b>	<b>28,237</b>	<b>59,965</b>
Deficit from the income and expenditure account	(4,356)	-	(4,356)
Other comprehensive income	(991)	-	(991)
Transfers between revaluation and income and expenditure reserves	486	(486)	-
<b>Total comprehensive income for the year</b>	<b>(4,861)</b>	<b>(486)</b>	<b>(5,347)</b>
<b>Balance at 31st July 2024</b>	<b>26,867</b>	<b>27,751</b>	<b>54,618</b>

# Warwickshire College

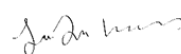
## Balance sheets as at 31 July

	Notes	Group	College	Group	College
		2024	2024	2023	2023
		£'000	£'000	£'000	£'000
<b>Non current assets</b>					
Tangible fixed assets	11	90,839	90,839	93,114	93,114
Investments	12	2	2	2	2
		<b>90,841</b>	<b>90,841</b>	<b>93,116</b>	<b>93,116</b>
<b>Current assets</b>					
Stocks		471	471	464	464
Trade and other receivables	13	2,216	2,216	1,934	1,934
Investments	14	1	1	1	1
Cash and cash equivalents	19	6,052	6,052	6,529	6,529
		<b>8,740</b>	<b>8,740</b>	<b>8,928</b>	<b>8,928</b>
Less: Creditors – amounts falling due within one year	15	(18,131)	(18,131)	(14,567)	(14,567)
<b>Net current liabilities</b>		<b>(9,391)</b>	<b>(9,391)</b>	<b>(5,639)</b>	<b>(5,639)</b>
<b>Total assets less current liabilities</b>		<b>81,450</b>	<b>81,450</b>	<b>87,477</b>	<b>87,477</b>
Less: Creditors – amounts falling due after more than one year	16	(26,070)	(26,070)	(26,712)	(26,712)
<b>Provisions</b>					
Defined benefit obligations	18	-	-	-	-
Other provisions	18	(762)	(762)	(800)	(800)
<b>Total net assets</b>		<b>54,618</b>	<b>54,618</b>	<b>59,965</b>	<b>59,965</b>
<b>Unrestricted reserves</b>					
Income and expenditure account		26,867	26,867	31,728	31,728
Revaluation reserve		27,751	27,751	28,237	28,237
<b>Total unrestricted reserves</b>		<b>54,618</b>	<b>54,618</b>	<b>59,965</b>	<b>59,965</b>

The financial statements on pages 32 to 58 were approved and authorised for issue by the Corporation on 22 January 2026 and were signed on its behalf on that date by:



**G Clipson**  
Chair



**S J Watkins**  
Accounting Officer

**Consolidated Statement of Cash Flows**

	Notes	2024 £'000	2023 £'000
<b>Cash inflow from operating activities</b>			
Deficit for the year		(4,356)	(1,272)
<b>Adjustment for non cash items</b>			
Depreciation		3,632	3,495
(Decrease)/Increase in stocks		(7)	135
(Increase)/Decrease in debtors		(282)	160
Increase in creditors due within one year		4,284	1,280
Decrease in creditors due after one year		(642)	(55)
Decrease in provisions		(38)	(71)
Pensions costs less contributions payable		(991)	(172)
<b>Adjustment for investing or financing activities</b>			
Investment income due		(137)	(58)
Interest payable		212	244
(Profit)/Loss on sale of fixed assets		19	(375)
		<u><b>1,694</b></u>	<u><b>3,311</b></u>
<b>Net cash flow from operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	397
Investment income received		137	58
Payments made to acquire fixed assets		(1,376)	(2,414)
		<u><b>(1,239)</b></u>	<u><b>(1,959)</b></u>
<b>Cash flows from financing activities</b>			
Interest paid		(232)	(247)
Repayments of amounts borrowed		(700)	(700)
		<u><b>(932)</b></u>	<u><b>(947)</b></u>
<b>decrease in cash and cash equivalents in the year</b>		<u><b>(477)</b></u>	<u><b>405</b></u>
Cash and cash equivalents at beginning of the year	19	6,529	6,124
Cash and cash equivalents at end of the year	19	6,052	6,529

## Notes to the Financial Statements for the year ended 31 July 2024

### 1. Accounting policies

#### General information

Warwickshire College Group is a corporation established under the Further and Higher Education Act 1992 as an English general College of further education. The address of the Group's principal place of business is given on page 2. The nature of the Group's operations are set out in the Strategic Report.

#### Basis of accounting

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

#### Basis of preparation

These financial statements have been prepared in accordance with *the Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the College Accounts Direction for 2023/24, Regulatory Advice: 9 Accounts Direction published by the Office for Students and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), under the historical cost convention modified by the revaluation of certain fixed assets. 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 consolidated financial statements are presented in sterling which is also the function currency of the Group. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise stated.

#### Basis of consolidation

The consolidated financial statements include the College and its subsidiary Warwickshire College Limited, controlled by the College. 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 subsidiary and associated undertakings, acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the students union have not been consolidated because the College does not control these activities.

#### Going concern

At the date of approving these financial statements, the Governors have considered the cash flow position of the College and wider group for the period up to February 2027. Governors have made their assessment in respect of a period of at least one year from the date of the issue of these financial statements and in making the assessment have considered the impact of its operations across the college and its trading subsidiary.

As part of the Group's going concern assessment detailed cash flow projections have been prepared which show that the group can continue to manage its cash flow within its existing facilities, following the repayment of clawback liabilities to the Department of Education in January 2026, refinancing of debt with the Department in January 2025 and improved financial performance in the period since these financial statements, and the Governors have therefore concluded that there is a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future.

#### Recognition of income

##### Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted

## **Warwickshire College**

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 recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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.

### **Fee income**

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

### **Investment income**

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on 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 and other organisations, are excluded from the income and expenditure account of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### **Accounting for post-employment benefits**

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

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

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

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

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

## **Warwickshire College**

Warwickshire College Ltd offers a defined contribution scheme.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination/ allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### **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 and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

### **Tangible fixed assets**

#### **Land and buildings**

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. Land and buildings acquired since incorporation are included in the balance sheet at cost. 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 up to 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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs and additional running costs which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets. Costs relating to the preparative stages of capital projects are written off at the time of expenditure.

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

On adoption of FRS 102, the College followed the transitional provision to revalue the land, but retain the book value of the buildings, (which were revalued in 1993), but not to adopt a policy of revaluations of these properties in the future.

### **Assets under construction.**

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

# **Warwickshire College**

## **Subsequent expenditure on existing assets**

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

## **Equipment**

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment or groups of items less than £1,000 but which are considered to be interdependent, are capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Capitalised equipment is depreciated on a straight line basis over 5 years.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

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

## **Borrowing costs**

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

## **Leased assets**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

## **Investments**

### **Investments in subsidiaries**

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

### **Other investments**

Investments held as current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value, with movements recognised in Comprehensive Income.

## **Stocks**

Horticulture stocks are calculated at retail prices and reduced by appropriate margins to the lower of cost and net realisable value. Shop stock is stated at the lower of cost or net realisable value on a first in, first out basis. The valuation of farm and horse stock is carried out by professional valuers. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

## **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 Instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.



# **Warwickshire College**

## **Financial liabilities and equity**

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

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

## **Foreign currency translation**

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

## **Taxation**

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

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

The College's subsidiary 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.

## **Critical accounting judgements and estimation uncertainty**

## Judgements in applying accounting policies

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to include in the asset ceiling for measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance and the operation of the primary and secondary contributions.

## Critical accounting estimates and assumptions

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability 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 2019 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Warwickshire College

## 2 Funding council grants

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
<b>Recurrent grants</b>				
Education and Skills Funding Agency - adult education budget	2,111	2,111	1,977	1,977
Education and Skills Funding Agency - 16-18 *	22,422	22,422	22,927	22,927
Education and Skills Funding Agency - apprenticeships **	4,947	4,947	5,580	5,580
Office for Students	890	890	919	919
<b>Specific Grants</b>				
Releases of government capital grants	917	917	828	828
Devolved Adult Education Budget	294	294	303	303
ESFA - Teachers Pension Scheme contribution grant	1,003	1,003	835	835
Funding body non recurrent grants	2,134	2,134	2,627	2,627
<b>Total</b>	<b>34,718</b>	<b>34,718</b>	<b>35,996</b>	<b>35,996</b>

\* includes £1,690k of funding clawbacks relating to 2019/20 (£524k), 2020/21 (£581k) and 2021/22 (£585k).

\*\* includes £850k of funding clawbacks relating to 2019/20 (£111k), 2020/21 (£128k), 2021/22 (£300k), 2022/23 (£145k) and 2023/24 (£166k).

## 3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Further Education students	1,144	1,144	1,230	1,230
International students	578	578	796	796
Higher Education students	3,282	3,282	3,561	3,561
Employer dedicated provision	964	964	914	914
<b>Total tuition fees</b>	<b>5,968</b>	<b>5,968</b>	<b>6,501</b>	<b>6,501</b>
Education contracts	3,862	3,862	3,582	3,582
<b>Total</b>	<b>9,830</b>	<b>9,830</b>	<b>10,083</b>	<b>10,083</b>

## 4 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
European Commission	179	179	367	367
Other grants and contracts	8	8	130	130
<b>Total</b>	<b>187</b>	<b>187</b>	<b>497</b>	<b>497</b>

## 5 Other income

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	1,918	1,918	1,675	1,675
Other income generating activities	1,729	1,729	1,825	1,825
Non government capital grants	221	221	235	235
Miscellaneous income	365	365	825	825
<b>Total</b>	<b>4,233</b>	<b>4,233</b>	<b>4,560</b>	<b>4,560</b>

# Warwickshire College

## 6 Investment income

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Other investment income	2	2	1	1
Other interest receivable	135	135	57	57
Net interest on defined pension liability (note 23)	674	674		
<b>Total</b>	<b>811</b>	<b>811</b>	<b>58</b>	<b>58</b>

## 7 Staff costs - Group and College

The average number of persons (including key management personnel) employed by the group during the year, was:

	2024 No.	2023 No.
Teaching staff	368	349 *
Non teaching staff	922	905 *
	<b>1,290</b>	<b>1,254</b>

\* Due to a change in calculation methodology and categorising between teaching and non teaching staff, 2023 figures have been recalculated, re-categorised and restated, They were previously published as 807 teaching and 415 non teaching (1,222 in total).

### Staff costs for the above persons

	2024 Group £'000	2024 College £'000	2023 Group £'000	2023 College £'000
Wages and salaries	27,111	16,703	25,447	16,511
Social security costs	2,310	1,571	2,293	1,677
Other pension costs	4,034	3,689	3,833	3,554
<b>Payroll sub total</b>	<b>33,455</b>	<b>21,963</b>	<b>31,573</b>	<b>21,742</b>
Contracted out staffing services	2,031	13,688	1,406	11,332
	<b>35,486</b>	<b>35,651</b>	<b>32,979</b>	<b>33,074</b>
Fundamental restructuring costs - Contractual	188	143	44	40
Fundamental restructuring costs - Non-contractual	161	135	-	-
<b>Total staff costs</b>	<b>35,835</b>	<b>35,929</b>	<b>33,023</b>	<b>33,114</b>

### 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 Senior Leadership Team which comprises the Chief Executive, the Chief Operating Officer & Principal, the Chief Finance Officer and the Group Deputy Principal. 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

	2024 No.	2023 No.
The number of key management personnel including the Accounting Officer was:	<u>4</u>	<u>4</u>

## 7 Staff costs - Group and College (continued)

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

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employers national insurance but including benefits in kind, in the following ranges was:

	Key management		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£ 60,001 to £ 65,000	-	-	1	4
£ 65,001 to £ 70,000	1	-	4	2
£ 70,001 to £ 75,000	-	-	4	-
£ 80,001 to £ 85,000	-	-	1	-
£ 85,001 to £ 90,000	1	1	-	-
£115,001 to £120,000	-	1	-	-
£130,001 to £135,000	1	-	-	-
£135,001 to £140,000	1	1	-	-
£185,001 to £190,000	-	1	-	-
	<u>4</u>	<u>4</u>	<u>10</u>	<u>6</u>

Key management personnel compensation is made up as follows:

	2024 £'000	2023 £'000
Basic salary	426	528
Employers National Insurance	52	69
Benefits in kind	3	3
Pension contributions	63	92
	<u>544</u>	<u>692</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:

	2024 £'000 01/08/2023 to 31/12/23	2024 £'000 01/01/2024 to 31/07/24	2024 £'000	2023 £'000
Basic salary	88	85	173	189
Benefits in kind	1	1	2	1
Pension contributions	18	22	40	44
	<u>107</u>	<u>108</u>	<u>215</u>	<u>234</u>

Included in Accounting Officer costs is a change of CEO, the permanent CEO stepped down and left the College 31/12/2023 and was replaced by an Interim CEO from 01/01/2024, for the remainder of the year.

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

The remuneration package of Key management staff, including the Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

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

# Warwickshire College

## 7 Staff costs - Group and College (continued)

Relationship of Chief Executive pay and remuneration expressed as a multiple

	2024	2023
CEO's basic salary as a multiple of the median of all staff	5.3 x	6.3 x
CEO's total remuneration as a multiple of the median of all staff	5.8 x	6.7 x

The members of the Corporation other than the Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Value of expenses was £1,021 (2022/23 £1,153).

The Group paid 14 severance payments in the year, disclosed in the following bands:

	2024 No.
£0 to £25,000	14
Included in staff restructuring costs are special severance payments totalling £161k. Individually, the payments were £20,430, £20,000, £19,300, £19,000, £16,500, £14,000, £13,000, £10,000, £8,800, £7,655, £5,000, £3,200, £2,800 and £1,280.	

## 8 Other operating expenses

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	4,924	4,924	4,617	4,617
Non teaching costs	3,832	3,738	4,413	4,322
Premises costs	5,641	5,641	6,976	6,976
<b>Total</b>	<b>14,397</b>	<b>14,303</b>	<b>16,006</b>	<b>15,915</b>

### Other operating expenses include:

	2024 £'000	2023 £'000
Auditors' remuneration:		
Financial statements audit*	98	102
Internal audit**	45	40
Other services provided by the financial statements auditors***	2	3
Other services provided by the internal auditors	17	20
Operating lease rentals	939	846

\* includes £86,000 +£12,000 2022/23 Additional Audit fee in respect of the College (2022/23 £97,000). The increase reflects additional audit fees incurred due to the funding audit.

\*\* includes £45,000 in respect of the College (2022/23 £40,000).

\*\*\* other services include audit of Teachers' Pension annual return and Warwickshire College Limited corporation tax compliance.

# Warwickshire College

## 9 Interest payable - Group and College

	2024 £'000	2023 £'000
On bank loans, overdrafts and other loans:	212	244
	<u>212</u>	<u>244</u>
Enhanced pension charge	40	29
Net interest on defined pension liability (note 23)	-	44
	<u>-</u>	<u>44</u>
<b>Total</b>	<b><u>252</u></b>	<b><u>317</u></b>

## 10 Taxation - Group only

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

## 11 Tangible fixed assets - Group and College

	Land and buildings	Equipment	Assets in the course of	Total
	Freehold £'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2023	129,333	13,311	-	142,644
Additions	-	1,153	223	1,376
Transfers				-
Disposals	-	(662)	-	(662)
	<u>-</u>	<u>(662)</u>	<u>-</u>	<u>(662)</u>
<b>At 31 July 2024</b>	<b><u>129,333</u></b>	<b><u>13,802</u></b>	<b><u>223</u></b>	<b><u>143,358</u></b>
<b>Depreciation</b>				
At 1 August 2023	40,360	9,170	-	49,530
Charge for the year	2,280	1,352	-	3,632
Elimination in respect of disposals	-	(643)	-	(643)
	<u>-</u>	<u>(643)</u>	<u>-</u>	<u>(643)</u>
<b>At 31 July 2024</b>	<b><u>42,640</u></b>	<b><u>9,879</u></b>	<b><u>-</u></b>	<b><u>52,519</u></b>
<b>Net book value at 31 July 2024</b>	<b><u>86,693</u></b>	<b><u>3,923</u></b>	<b><u>223</u></b>	<b><u>90,839</u></b>
Net book value at 31 July 2023	<u>88,973</u>	<u>4,141</u>	<u>-</u>	<u>93,114</u>

Land and buildings were valued in 1996 at depreciated replacement cost by a firm of independent chartered surveyors.

# Warwickshire College

## 12 Non current Investments - Group and College

	2024 £'000	2023 £'000
Other investments	2	2
	<u>2</u>	<u>2</u>
<b>Total</b>	<b><u>2</u></b>	<b><u>2</u></b>

The College owns 100% of the issued £1 ordinary shares of Warwickshire College Ltd, and Warwickshire College Enterprises Ltd. Both companies are incorporated in England and have called up share capital of £100. Warwickshire College Enterprises Ltd was dormant during the year and Warwickshire College Ltd commenced trading on 1 August 2017 as an employment company and the College has prepared consolidated financial statements.

On 30 May 2018 the College incorporated a new entity Moreton Hall FEC which was intended to be used as a funding vehicle for the Moreton Hall restoration project. Moreton Hall FEC did not trade during 2022/23. Digital West Midlands Ltd was incorporated on 28 Feb 2018 as a Joint Venture with City College Coventry & North Warwickshire and South Leicestershire College to promote digital apprenticeships which was wound up 31 July 2020 and is now a wholly owned subsidiary. The College's exposure is limited to £1 for Moreton Hall FEC and £3 for Digital West Midlands Ltd.

The College owns 4 ordinary £500 shares of the 975 issued by Rugby Farmers Mart Limited. Rugby Farmers Mart Limited was founded in 2006 by a group of 250 local farmers. The principal activity of the company is selling livestock.

The College owns a 50% shareholding in Pershore Indoor Tennis Centre Limited, a company registered in England and Wales whose principal activity is the provision of leisure facilities. The College owns 10 ordinary shares of a nominal value of £1 each. The results for Pershore Indoor Tennis Centre Limited have not been consolidated as the College does not exercise significant influence and the value of the College's share is not material.

## 13 Trade and other receivables

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Amounts falling due within one year:				
Trade receivables	389	389	424	424
Prepayments and accrued income	1,242	1,242	1,081	1,081
Amounts owed by the ESFA	585	585	429	429
<b>Total</b>	<b><u>2,216</u></b>	<b><u>2,216</u></b>	<b><u>1,934</u></b>	<b><u>1,934</u></b>



# Warwickshire College

## 14 Current investments

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Current Asset Investments	1	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

## 15 Creditors: amounts falling due within one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans and overdrafts	4,000	4,000	4,700	4,700
Trade payables	779	779	525	525
Amounts owed to group undertakings:				
Subsidiary undertakings	-	38	-	46
Other taxation and social security	38	38	46	46
Accruals and deferred income *	2,686	2,648	2,899	2,853
Amounts owed to the ESFA **	10,628	10,628	6,397	6,397
<b>Total</b>	<b>18,131</b>	<b>18,131</b>	<b>14,567</b>	<b>14,567</b>

\* includes £50k OfS grant funding received in advance (2022/23 £50k)

\*\* includes £4,619k grant funding received in advance (2022/23 £2,810k)

\*\* includes £2,540k of funding clawbacks relating to 2019/20 (£635k), 2020/21 (£709k), 2021/22 (£885k), 2022/23 (£145k) and 2023/24 (£166k).

## 16 Creditors: amounts falling due after one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Deferred income - government capital grants	26,070	26,070	26,712	26,712
<b>Total</b>	<b>26,070</b>	<b>26,070</b>	<b>26,712</b>	<b>26,712</b>

# Warwickshire College

## 17 Maturity of debt

### Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>
In one year or less	4,000	4,000	4,700	4,700
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
<b>Total</b>	<b>4,000</b>	<b>4,000</b>	<b>4,700</b>	<b>4,700</b>

The College has agreed banking facilities as follows:

The College has a £9,000,000 Term Loan with Lloyds Bank plc which has a maturity date of September 2027, with annual capital payments of increasing amounts starting in September 2014. At 31 July 2024, £4,000,000 was available and drawn. This loan is secured against the Trident Campus, the Evesham Campus, the Pershore Campus, the Moreton Morrell Triangle of land and the Leamington Spa Campus. All debt is currently treated as current, pending a new agreement of terms with Lloyds Bank.

Following the breach of bank covenants at 31 July 2024 the full bank loan liability has been classified as short term in line with the conditions of lending. The College refinanced it's loans with the DfE in January 2025, clearing the Term Loan with Lloyds Bank in full.

## 18 Provisions - Group and College

	<b>Enhanced pensions £'000</b>
At 1 August 2023	800
Utilised in year	(80)
Additional provisions in year	2
Unwind of discount	40
<b>At 31 July 2024</b>	<b>762</b>

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

# Warwickshire College

## 19 Analysis of changes in net debt - Group and College

	At 1 August 2023 £'000	Cash flows £'000	Other changes £'000	At 31 July 2024 £'000
Cash and cash equivalents	6	-	-	6
Bank	466	88	-	554
Lloyds call account	2,518	(675)	-	1,843
Lloyds 32 day notice account	3,539	110	-	3,649
<b>Total cash at bank and in hand</b>	<b>6,529</b>	<b>(477)</b>	<b>-</b>	<b>6,052</b>
Bank loans due within one year	4,700	(700)		4,000
Bank loans due after one year	-	-		-
<b>Total bank loans</b>	<b>4,700</b>	<b>(700)</b>	<b>-</b>	<b>4,000</b>

## 20 Commitments under operating leases

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

	Group and College	
	2024 £'000	2023 £'000
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	678	678
Later than one year and not later than five years	3,391	3,391
Later than five years	7,749	8,427
	<u>11,818</u>	<u>12,496</u>
<b>Other</b>		
Not later than one year	250	163
Later than one year and not later than five years	728	253
	<u>978</u>	<u>416</u>
Total lease payments due	<u>12,796</u>	<u>12,912</u>

## 21 Contingent liabilities

No contingent liabilities identified.

## 22 Capital and other commitments

	Group and College	
	2024 £'000	2023 £'000
Commitments contracted for at 31 July	<u>726</u>	<u>662</u>

# Warwickshire College

## 23 Defined benefit obligations

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

In addition to this the College's subsidiary company Warwickshire College Ltd operates the National Employment Savings Trust (NEST), a workplace pension scheme set up by the government.

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	2024 £'000	2023 £'000
Teachers Pension Scheme: contributions paid	2,546	2,044
Local Government Pension Scheme:		
Contributions paid	1,462	1,749
FRS 102 (28) charge	<u>(317)</u>	<u>(216)</u>
Charge to the Statement of Comprehensive Income	1,145	1,533
Enhanced pension charge to Statement of Comprehensive Income	(2)	(23)
Total Pension Cost for College	<u>3,689</u>	<u>3,554</u>
NEST pension cost for subsidiary	345	279
<b>Total Pension Cost for Group</b>	<b><u>4,034</u></b>	<b><u>3,833</u></b>

Contributions amounting to £nil (2022: £nil) were payable to the Teachers Pension scheme and Local Government schemes and are included in creditors.

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 scheme. 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.

## 23 Defined benefit obligations (continued)

### Teachers' Pension Scheme (continued)

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Government Actuary's Department in October 23. 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.

As a result of the valuation, new employer contribution rates will be set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.68% during 2022/23). The DfE has agreed to pay a teacher pension contribution grant to cover the additional costs during the 2023/24 academic year.

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

The pension costs paid to TPS in the year amounted to £2,546,000 (2023: £2,044,000)

### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Warwickshire County Council and Worcestershire County Council. The total contribution made for the year ended 31 July 2024 was £1,721,000, of which employer's contributions totalled £1,372,000 and employees' contributions totalled £349,000. The agreed contribution rates from Apr 23 for future years are for Warwickshire County Council 24.4% for employers and for Worcestershire County Council 19.8% for employers and range from 5.5% to 12.5% for employees, depending on salary.

The Governors are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the Governors being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation(s), the Governors do not expect the valuation of the scheme liabilities to change.

### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by Hymans Robertson LLP, a qualified independent actuary.

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.75%	4.00%
Future pensions increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption (CPI)	2.75%	3.00%
Commutation of pensions to lump sums	65%	65%

# Warwickshire College

## 23 Defined benefit obligations (continued)

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 2024	At 31 July 2023
	years	years
<i>Retiring today</i>		
Males	20.8	20.8
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	21.8	21.9
Females	25.7	25.7

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

	Fair value at 31 July 2024 £'000	Fair value at 31 July 2023 £'000
Equity instruments	55,183	59,848
Debt instruments	35,139	27,743
Property	22,728	16,137
Cash/Other	1,142	2,445
<b>Total fair value of plan assets</b>	<b>114,192</b>	<b>106,173</b>
 <b>Actual return on plan assets</b>	 <b>9,445</b>	 <b>(479)</b>

The Pension Funds use valuation techniques to determine the carrying amount of pooled property funds and directly held freehold property of which the College has a share.

# Warwickshire College

## 23 Defined benefit obligations (continued)

### Local Government Pension Scheme (Continued)

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

	2024 £'000	2023 £'000
Fair value of plan assets	114,192	106,173
Present value of plan liabilities	(101,516)	(98,958)
Restriction on Movement of Pension Scheme Asset	(12,676)	(7,215)
<b>Net pensions liability (Note 18)</b>	<b>-</b>	<b>-</b>

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

	2024 £'000	2023 £'000
<b>Amounts included in staff costs</b>		
Current service cost	1,271	1,336
Past service cost	-	6
<b>Total</b>	<b>1,271</b>	<b>1,342</b>

### Amounts included in interest payable/receivable

Net interest on the net defined benefit pension Asset/(liability)	674	(44)
	<b>674</b>	<b>(44)</b>

### Amounts recognised in Other Comprehensive Income

Return on pension plan assets	4,104	(4,228)
Experience losses arising on defined benefit obligations	-	(353)
Changes in assumptions underlying the present value of plan liabilities	366	18,585
Restriction on Movement of Pension Scheme Asset	(5,461)	(7,215)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(991)</b>	<b>6,789</b>

# Warwickshire College

## 23 Defined benefit obligations (continued)

### Local Government Pension Scheme (Continued)

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

	2024 £'000	2023 £'000
Deficit in scheme at 1 August	-	(6,961)
Movement in year:		
Current service cost	(1,271)	(1,336)
Employer contributions	1,588	1,558
Past service cost	-	(6)
Net interest on the defined liability	674	(44)
Actuarial gain	4,470	14,004
Restriction on Movement of Pension Scheme Asset	(5,461)	(7,215)
<b>Net defined benefit liability at 31 July</b>	<b>-</b>	<b>-</b>

#### Asset and Liability Reconciliation

	2024 £'000	2023 £'000
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	98,958	114,621
Current Service cost	1,271	1,336
Interest cost	4,667	3,793
Contributions by Scheme participants	383	392
Experience gains and losses on defined benefit obligations	-	353
Changes in demographic assumptions	(159)	(1,851)
Changes in financial assumptions	(2,917)	(25,616)
Changes in other assumptions	2,710	8,882
Estimated benefits paid	(3,397)	(2,958)
Past Service cost	-	6
Curtailments and settlements	-	-
<b>Defined benefit obligations at end of period</b>	<b>101,516</b>	<b>98,958</b>

#### Reconciliation of Assets

<b>Fair value of plan assets at start of period</b>	106,173	107,660
Interest on plan assets	5,341	3,749
Interest on the effect of the asset ceiling	-	-
Return on plan assets	4,104	(4,228)
Employer contributions	1,588	1,558
Contributions by Scheme participants	383	392
Estimated benefits paid	(3,397)	(2,958)
<b>Fair value of plan assets at end of period</b>	<b>114,192</b>	<b>106,173</b>



# Warwickshire College

## 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.

The total expenses paid to or on behalf of the Governors during the year was £1,021; 9 governors (2023: £1,153, 6 governors). 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 (2022: None).

Governor Name	Related Party Organisation	Purchases or Sales	Value	Value	Balance at	Balance at
			2023/24 £	2022/23 £	Year end 2023/24 £	Year end 2022/23 £
G Clipson	Director and Chair of the Board of BIIAB Qualifications Ltd	Refund	-1,090	4,020	0	0
G Clipson	Chair and a Trustee of Skills for Education Group Awards	Purchases	0	840	0	0
J Gulrajani	Employee of the Quality Assurance Agency for Higher Education	Purchases	3,136	4,221	0	0

Where a governor has resigned part way through the year, only transactions up to that date are included.

The College holds a 50% shareholding in PITC Limited (note 12).

Loan repayment from PITC Ltd to the College in the year amounted to £8,138 (2023 - £8,138).

Sales transactions in the year amounted to £2,220 (2023 – £1,110). Balances outstanding at the year end amounted to £nil (2023 – £nil).

The College holds a 100% shareholding in Warwickshire College Ltd (note 12).

Sales transactions in the year amounted to £12,295,722 (2023 – £10,422,745). Balances outstanding at the year end amounted to £nil (2023 – £nil).

Purchase transactions in the year amounted to £12,295,722 (2023 – £10,422,745). Balances outstanding at the year end amounted to £0 (2023 – £45,217).

# Warwickshire College

## 25 Amounts disbursed as agent

### Learner support funds

	2024 £'000	2023 £'000
Funding body grants – hardship	410	59
Funding body grants – residential bursaries	129	128
Funding body grants – 24+ Bursary	25	69
	<u>564</u>	<u>256</u>
Disbursed to students	(514)	(198)
Administration costs	(8)	(6)
	<u>42</u>	<u>52</u>
Balance unspent as at 31 July, included in creditors		

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

### Employer incentive grant - funding body grant

	2024 £'000	2023 £'000
Amount carried forward from previous year	450	371
Amount received in the year	228	172
	<u>678</u>	<u>543</u>
Disbursed to companies	(364)	(93)
	<u>314</u>	<u>450</u>
Balance unspent as at 31 July, included in creditors		

Employer Incentive Grant is received from the ESFA and paid out to companies to encourage them to take on apprentices. The College only acts as a paying agent and therefore the grants and related disbursements are excluded from the Statement of Comprehensive Income.

## 26 Access and Participation spending

	2024 £'000	2023 £'000
Access investment	57	182
Financial Support to students	58	195
Disability support	19	61
Research and evaluation	38	64
<b>Total Access and Participation</b>	<u>172</u>	<u>502</u>

The Colleges Access and Participation Plan is available on the College's website at:  
<https://wcg.ac.uk/page/708/access-and-participation-plan-summary>

## 27 Events after the reporting period

Peter Husband was appointed Interim Chief Executive and Principal from 1st January 2024 to 31 August 2024.

Sara-Jane Watkins was appointed as Chief Executive Officer (CEO) & Principal from 1st September 2024.

Caroline Menadue acted as Clerk to the Corporation throughout the period and left 15th November 2024, see the Reference and Administrative Details within the Annual Report for further details.

Roger Bevan left as CFO on 31 January 2025 and Rich Aitken joined as CFO on 6 December 2024.

The College's Malvern Hills campus was sold in March 2025 to the Aurora Group with their plans being to reopen the site as a Special Educational Needs and Disabilities school.

A Financial Health Notice to Improve was issued by the DfE to the College on 26<sup>th</sup> September 2024.

In January 2025, the College refinanced its entire £3m Lloyds Bank loan to the DfE. This moved the loan out of a default position and lengthened the repayment period of the loan. A further £1m DfE loan was also taken out to assist with repaying audit funding clawbacks.

### **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF WARWICKSHIRE COLLEGE GROUP AND THE SECRETARY OF STATE FOR EDUCATION**

#### **Conclusion**

We have carried out an engagement, in accordance with the terms of our engagement letter dated 27 April 2022 and further to the requirements of the Department for Education (the "DfE") as included in the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the DfE, 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 Warwickshire College Group during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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 2023 to 31 July 2024 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Basis for conclusion**

The framework that has been applied is set out in the Framework and Guide for External Auditors and Reporting Accountants of Colleges and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

#### **Responsibilities of the accounting officer of Warwickshire College Group and Corporation**

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 are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Corporation of Warwickshire College Group (who are also the trustees for the purposes of charity law) are responsible for the proper conduct and financial operation of Warwickshire College Group and appointment of the accounting officer.

#### **Responsibilities of the reporting accountant**

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 Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 2023 to 31 July 2024 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the College Financial Handbook, the accountability agreement with the Secretary of State for Education and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. It also included areas

## Warwickshire College

assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise or potential impropriety, where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Tests and evidence to support conclusion on regularity' guidance in the Framework and Guide for External Auditors and Reporting Accountants of Colleges.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

### Use of our report

This report is made solely to the Corporation of Warwickshire College Group 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 Warwickshire College Group and the Secretary of State for Education those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Warwickshire College Group and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

**RSM UK AUDIT LLP**  
Chartered Accountants  
103 Colmore Row  
Birmingham  
West Midlands  
B3 3AG

Date: 28 January 2026

WCG | WARWICK NEW ROAD | LEAMINGTON SPA | CV32 5JE



**ROYAL LEAMINGTON SPA  
COLLEGE**

Warwick New Road  
Royal Leamington Spa  
CV32 5JE



**RUGBY  
COLLEGE**

Technology Drive  
Rugby  
CV21 1AR



**WARWICK TRIDENT  
COLLEGE**

Poseidon Way  
Warwick  
CV34 6SW



**MORETON MORRELL  
COLLEGE**

Moreton Morrell  
Warwick  
CV35 9BP



**EVESHAM  
NEW COLLEGE**

Cheltenham Road  
Evesham  
WR11 1LP



**PERSHORE  
COLLEGE**

Avonbank  
Pershore  
WR10 3JP