



Newcastle and Stafford Colleges Group

Report and Financial Statements for
the year ended 31 July 2025

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Reference and Administrative Details

Key management personnel

Key management personnel are defined as members of the College Management Team and were represented by the senior post holders below

Senior Post Holders

Craig Hodgson, Principal / CEO and Accounting Officer
Deborah Torjussen, Chief Financial and Operations Officer
Shelley Brown, Deputy Principal – Provision for Young People
Andy Bailey – Group Head of Compliance and Governance

Board of Governors

A full list of Governors is given on page 24 of these financial statements.

Professional advisers

Financial statements auditors and reporting accountants:

RSM UK Audit LLP
Chartered Accountants
Festival Way
Festival Park
Stoke-on-Trent
ST1 5BB

Internal auditors:

ICCA
The McLaren Building
46 The Priory
Queensway
Birmingham
B4 7LR

Bankers:

Lloyds TSB Bank plc
High Street
Newcastle Branch
PO Box 1000
BX1 1LT

Solicitors:

Knights PLC
The Brampton
Newcastle-under-Lyme
Staffordshire
ST5 0QW

Statement from the Chair of the Board

On behalf of the Corporation Board, I am delighted to present the Financial Statements for Newcastle and Stafford Colleges Group (NSCG) for the year ended 31 July 2025.

This academic year has been marked by continued excellence, resilience, and strategic investment. NSCG has once again demonstrated its commitment to delivering outstanding education and training across Staffordshire, with student achievement and progression rates remaining among the highest nationally. Our A Level and vocational results have surpassed national benchmarks, and our apprenticeship provision continues to grow in both scale and quality, reflecting our strong partnerships with local employers.

We are proud to report significant progress in our capital development programme. The completion of the £22.5m Institute of Technology Building in Stafford has delivered cutting edge facilities for manufacturing, digital and health. This enables industry aligned education, to create stronger links with local employers. Within the 4,000 square metre building is industry-standard technology including robotics and automation labs, CNC machinery and 3D printers, a mock hospital ward for health and life sciences and a 7 metre immersive VR cylinder to transform classroom teaching. The Institute of Technology is part of a national network focussed on level 4 and 5 technical education qualifications. The growth of the College has also led to a refurbishment at both the Newcastle and Stafford campuses to maximise accommodation to meet the growth in learners who select NSCG as their place to study.

NSCG continues to make a meaningful impact within the local community. As the region's largest and most successful further education provider, we have expanded access to adult learning through a wide range of part-time and professional courses, supporting individuals to upskill, retrain, and improve their wellbeing. From digital skills and business development to creative arts and engineering, our provision helps local residents achieve personal and career goals. We have also played a key role in securing local skills improvement funding, enabling colleges across Staffordshire to better align their offerings with regional employment needs.

The year has not been without its challenges. The broader educational landscape continues to evolve, with funding pressures, curriculum reform, and the need to respond to regional skills priorities placing increasing demands on colleges. NSCG has responded proactively, engaging with stakeholders and adapting our offer to meet the needs of learners and employers alike. We remain committed to widening participation and ensuring that all students—regardless of background—have access to high-quality education and support.

Financially, the Group remains in a strong and stable position. Prudent management and robust governance have enabled us to invest in our estate and digital infrastructure while maintaining healthy reserves. The Board continues to monitor financial performance closely and supports the Executive Team in delivering value for money and long-term sustainability. NSCG is proud to be recognised as financially outstanding, reflecting our commitment to sound stewardship and strategic investment.

From the 1st August 2025, the Corporation were absolutely delighted to welcome Leek College into the Newcastle and Stafford Colleges Group. This marks a truly exciting moment for education in Staffordshire. Leek College has a proud history and a strong connection to its community, and we are thrilled to build on that legacy with the support, resources, and ambition of NSCG. Together, we will ensure that learners in the region have access to outstanding opportunities, world-class teaching, and a future full of possibility. It's a partnership rooted in shared values and a commitment to excellence—and we couldn't be happier to begin this new chapter.

As Chair, I would like to thank our staff for their dedication and professionalism, our students for their ambition and achievements, and our partners for their ongoing support. Together, we continue to build a college group that is ambitious, inclusive, and future-focused.

We look forward to another year of growth, innovation, and success.

Simon Leech

Chair of Corporation

Strategic Report

Nature, Objectives and Strategy

The members present their report together with the financial statements and auditor's report for Newcastle and Stafford Colleges Group for the year ended 31 July 2025.

Legal Status

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

The Corporation was incorporated as Newcastle-under-Lyme College. On 1 November 2016 Stafford College dissolved and joined Newcastle-under-Lyme College following a type B merger. At the same time Newcastle-under-Lyme College changed its name to Newcastle and Stafford Colleges Group (NSCG).

On 29 November 2022, the Office for National Statistics (ONS) reclassified further education corporations, sixth form college corporations and designated institutions in England (Colleges), as public sector bodies, forming part of Central Government.

Axia Solutions Ltd

On 1 May 2014 the College acquired 100% of the shareholding of Axia Solutions Ltd, a company providing education and training.

Gradbach Ltd

On 3 September 2015 the Group created Gradbach Ltd, a wholly owned subsidiary managing and operating the Gradbach Mill estate as a commercial operation.

Stoke-on-Trent and Staffordshire Institute of Technology Limited

On 3 March 2023, Stoke on Trent and Staffordshire Institute of Technology (IoT) Limited was incorporated as a wholly owned subsidiary of the College. The Directors of the Company are comprised of the 4 educational partners leading the IOT – NSCG, Axia Solutions Ltd, Keele University and Burton and South Derbyshire College. The Company was dormant between 3 March 2023 and 31 July 2025. The first transactions will go through the company in 2025-26.

Mission, Vision, Strategy and Objectives

Governors have stated the ambition for the College to be recognised nationally as:

“An Outstanding organisation where students and staff thrive, achieve and make a positive contribution to the cultural and economic prosperity of Staffordshire and beyond.”

Public Benefit

Newcastle and Stafford Colleges Group is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing body, who are trustees of the charity, are disclosed on page 24. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit, and particularly upon its supplementary guidance on the advancement of education, for both reporting and delivery of its charitable purposes for public benefit.

The guidance sets out the requirements 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 and learning
- Widening participation and tackling social exclusion
- Excellent employment records for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with Local Stakeholders
- Good progression to higher education, apprenticeships and into skilled employment.

The College provides courses, without charge, to young people, those who are unemployed and adults taking English and Maths courses. The College adjusts its courses to meet the needs of the local employers and provides training to 1,849 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

On 29 November 2022, the ONS reclassified Colleges as public sector bodies, forming part of Central Government. This means, that it must comply with the requirements of HM Treasury's Managing Public Money guidelines, strengthening still further the link to public benefit.

Implementation of the Strategic Plan

The strategic plan includes delivery, property and financial plans. The Corporation monitors the performance of the College against this plan. The plan is reviewed and updated each year. The College's objectives for 2024-25 were to:

- Improve learner achievement rates and maintain them at or above the 75th percentile in accordance with targets set annually by the Education and Standards Committee
- Achieve funding allocation of £39,133k for 16-18 learners by 31 July 2025 funded by the Department for Education (DfE)
- Achieve an Adult Education Budget of £1,378k and an Apprenticeship Budget of £5,795k by 31 July 2025 funded by the DfE,
- Maintain the financial viability of the College with sufficient resources to meet its financial obligations and to implement the College's Strategic Plan and Capital Strategy and to have sufficient reserves to cushion the College from the likely impact of public funding reductions, pension liabilities and to continue to invest in the College's infrastructure
- Maintain "Outstanding" financial health as defined by the DfE.

The College's specific performance objectives for 2024-25, and achievement of those objectives, is addressed below:

- Maintained student achievement rates well above national benchmarks
- Achieved £39,306k for 16-18 learners funded by the DfE
- Achieved a Single Adult Education Budget of £1,700k and an Apprenticeship Budget of £6,773k funded by the DfE
- Maintained the financial viability of the College by maintaining cash days in hand of 121, an adjusted current ratio of 2.74:1 and available reserves of 123.72% of income (calculated according to DfE definitions)
- Pay as a percentage of income of 68.09% (calculated according to DfE definitions)

The College's Strategic Plan will be renewed during the 2025-26 financial year.

Financial Results

The Group generated an operating surplus before other gains and losses in the year of £2,595k (2023-24 surplus £2,544k), with total comprehensive income of surplus £1,390k (2023-24 surplus £1,019k).

The Group received 83.38% of its total income for 2024-25 (2023-24 88.14%) as grants from funding bodies, most notably from the DFE for 16-18 provision. The improvement in performance from the prior year is largely due to an increase in funding from the DFE in relation to the 16-18 cohort, from £35,359k in 2023-24 to £39,306k in 2024-25 due to growth in learners and increases in some funding rates. There has been a corresponding increase across most cost lines to deliver growth in numbers, most notably staff costs from £32,494k to £36,879k

Excluding the pension reserve, Net Assets of the Group are £69,693k (2023-24 £68,304k).

The Groups main asset, Tangible fixed assets, increased during the year by a net £16,169k. Fixed assets additions of £19,843k are split between land and equipment to enhance facilities and to support the Estates Strategy. This is offset by a depreciation charge of £3,665k.

Axia Solutions Ltd principal business activity is to deliver apprenticeship and other training to employers. The key income source for Axia Solutions Ltd is the Department for Education. A decision was made not to renew a contract to deliver Sector Work Based Academy Programmes (SWAP) at the end of 2023-24. This was to enable a focus on the Local Skills Improvement Plan objectives and therefore a focus on Apprenticeship programmes, functional skills, waste and lean management, and the direct delivery of higher level programmes. This change in direction meant an overall loss of £213k was generated for 2023-24 which improved for 2024-25 to a loss of £127k. Due to this position, Axia was unable to make a gift aid payment to the Newcastle and Stafford Colleges Group during the period (£nil 2023-24). The position of Axia is set to further improve in 2025-26.

The principal activity of Gradbach Ltd is the provision of accommodation, conferencing and hotel services. During the year Gradbach Ltd gift-aided £67k (£26k 2023-24) to Newcastle and Stafford Colleges Group.

Cash Flows and Liquidity

Cash balances at the year-end were £17,602k (2023-24 £20,241k). The cash balances will continue to be used to support the development and implementation of the strategic plan and to create a contingency fund which has been earmarked to support the Capital Strategy and provide sufficient reserves to enable the Group to continue to conduct its business effectively, manage the turbulence of funding streams and to maintain “Outstanding” financial health as defined by the DFE.

Reserves

The Group has accumulated reserves (excluding Revaluation reserve and Pension reserve) of £69,056k (2023-24 £67,667k). The Group will continue to utilise reserves and cash balances in order to fund significant planned capital requirements in order to maintain quality teaching facilities and accommodate future learner growth.

The Group 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. It is the Corporation’s intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses to support future Estate and facilities development.

Financial Health

Previously the Group has achieved continued “Outstanding” financial health. These financial statements and current forecasts indicate a continuation of an “Outstanding” financial health categorisation measured against established DFE ratios to measure solvency, performance and borrowing. These are defined as follows:

- *Solvency*

The solvency ratio indicates whether a college's short-term assets are sufficient to meet short-term liabilities as they become due. One measure that impacts on this is the number of cash days in hand – the number of days that the college can continue to pay its operating expenses, given the amount of cash available. Another measure is the adjusted current ratio which is the ratio between current assets and current liabilities.

- *Performance*

The DFE assesses performance using sector specific earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of adjusted income (income net of the release of the deferred capital grant).

- *Gearing*

This is a measure of the group's level of debt, usually measured as borrowings expressed as a percentage of income.

Sources of income

The Group has significant reliance on the education sector funding bodies and received 83.38% of its total income for 2024-25 as grants from funding bodies, most notably the DFE for 16-18 provision.

People

The Group employs 936 people of whom 391 are teaching and work-based learning staff.

Reputation

The Group has a good reputation locally, regionally and nationally. Maintaining a quality brand is essential for the Group's success at attracting learners and building and strengthening external relationships. This is underpinned by an "Outstanding" Ofsted grade in all areas of provision with a "strong contribution in meeting Skills Needs" (which represents the highest rating possible across all areas), achieved in October 2024 (the previous rating achieved in November 2019 was also "Outstanding").

Estates and Resources

The Skills and Innovation Building was completed in June 2023 at the Stafford Campus. The Building was funded by a DfE grant of £18m and a College contribution of £9.5m. The new building opened for student use from September 2023 and represents the completion of the Stafford campus by moving off-site provision from Palmbourne, on to the main campus.

The Palmbourne site closed in July 2023 and was demolished in January 2024. The construction of the £22.5m Institute of Technology commenced shortly after. The College identified a £5.5m contribution towards the building of the Institute of Technology (IoT) working with employers, HE providers and other FE providers in Stoke on Trent and Staffordshire. The DfE have provided £16.9m towards the building costs and the UK Shared Prosperity Fund has provided £1.7m support towards the costs of this project. The Institute of Technology building was completed on the 11th July 2025 and opened for students from September 2025.

Due to the increase in student numbers in September 2025, the College has made a further review of its estate to ensure that the College has sufficient accommodation to meet the additional demand. The Corporation made the decision in October 2023 to embark on an £8m capital project at the Newcastle campus to build a new Sports Hall and to refurbish the existing sports hall to create additional teaching space to support the delivery of T Levels. Construction started in October 2023 and the building was completed at the end of August 2024 – ready for the start of the new academic year. Further developments of both Newcastle and Stafford College have taken place during 2024-25 to create additional capacity where possible.

On the 19th September 2024, the College also completed an impressive £875k 3G pitch, including LED floodlights, spectator area, and new perimeter fencing. These pitches are used to accommodate a number of sports, and will be used by the NSCG Academy of Sport and Andy Griffin Football Academy.

With the new sports hall and 3G pitch – the College has invested significantly in its sporting facilities – recognising this as a key feature of both our curriculum and enrichment programmes.

The College has embraced various Government initiatives and has been successful in securing grant funding to enhance facilities and purchase specialist equipment to support the development of both the T level and Higher Education curriculum.

The Group also continues annually to invest in IT and smaller estates projects to maintain quality, improve business continuity and combat the threat of cyber security attacks. There has been a significant investment in IT in the current year.

Taken together, these plans amount to an exciting period for the Group, delivering against core priorities and supporting the delivery of the strategic plan to be an outstanding organisation.

Student numbers

In 2024-25 the Group had 6,112 full time 16-18 students (2023-24 6,012) which generated a grant allocation of £39,133k (2023-24 £35,359).

Student achievements

Learners continue to prosper at the College. Achievement rates on all courses continued to be outstanding, with an overall achievement rate of c92% against a national average of 84.9%. Students celebrated an A level achievement pass rate of 99.0% (against a national average of 97.4%), with 58.6% achieving grades A* to B (against a national average of 55.0%), and A* to C, at 85.6% (against a national average of 77.7%).

The A Level value added score (progress measure), based on the Sixth Form Colleges Association data is +0.04, placing the College in the top 40% of Sixth Form Colleges in the country.

Of the 6,112 full time students, 95.3% of the known destinations were positive. In addition, 66.7% of Level 3 completers progressed on to Higher Education.

Apprenticeship achievement remains outstanding at 77.6% against a national average of 62.3%.

Excellent results have also been achieved in BTEC and T Level qualifications. Level 3 BTEC outcomes are outstanding with a 99.7% pass rate (95.6% national average) and 56.3% of students receiving DDD or above (36.4% national average). Level 2 BTEC outcomes are excellent with a 98.2% pass rate (59.2% national average) and 59.3% of students receiving MM or above (27.7% national average).

T Level outcomes are also very strong with a 95.4% pass rate (91.4% national average) and 73.0% of students receiving Merit or above (65.3% national average).

Curriculum developments

The growth experienced in 2024-25 has proven to be both a major strength and a significant challenge for the College. The colleges funded full-time learner numbers recently increased from 6,016 in 2023-24 to 6,112 in 2024-25, an increase that was managed by closing applications early in May 2024. Looking ahead, demographic analysis conducted by the ONS predicts further sustained growth over the next decade across Staffordshire and the surrounding areas. This forecast presents us with two key challenges: recruiting and retaining skilled teaching staff in a competitive employment market, and continuing to provide sufficient, high-quality space and resources for all our students.

The College has a strong reputation for excellence in curriculum design, implementation, and innovation. This commitment manifests in the continual introduction of new courses across a wide range of disciplines. The College takes a proactive approach, constantly reviewing and updating the breadth and relevance of its offerings to ensure they align with the needs of students, the local and regional communities, and the broader national educational and workforce priorities. This responsive curriculum, informed by industry leaders, encompasses academic, vocational, and technical programmes that is closely aligned to both local businesses and the broader community. Ultimately, the College's focus is on empowering students for their future success. This strong emphasis on progression translates into a clear pathway for students to transition to higher-level courses, higher education, higher apprenticeships, or directly into the workforce.

The major curriculum developments over the last 12 months have included:-

- Strong advancements in our curriculum, supported by industry leaders. This includes the continuation of employer led skills advisory panels within specific curriculum areas. These panels, feature representatives from national employers like Indurent (formerly St. Modwens), Staffordshire Fire and Rescue Service, Cyber Kiln, Siemens, Dell, Midlands Partnership Foundation Trust and University Hospital of North Midlands who play a crucial role in shaping and influencing the design and delivery of our programmes.
- Strong industry partnerships have led to successful work placements (T Levels & BTECs), boosted apprenticeship opportunities and ensured our curriculum stays industry relevant.
- Strong employer involvement in the curriculum. For example in the Health department, ongoing collaboration with local employers in 2024/25 resulted in the introduction of a new Level 2 study programme. This programme was strategically developed to be responsive to LSIP priorities and provide a pathway for students who cannot immediately progress to Level 3. By focusing on essential practical skills, mandatory industry training, and enhanced work placement, the course successfully overcomes the barrier of age restriction that typically prevents 16 and 17-year-olds from accessing sector employment. As a result, participating organisations have committed to providing a guaranteed interview for every student completing the programme.
- Strong partnerships with universities have enhanced our curriculum through improved assessments, cutting-edge topics, and diverse pathways. They also have ensured industry specific skills, like the Care Certificate in Health, and specialised support in areas like green technology for Motorsports Engineering.
- Strong college skills tracking system called "*Skill Up, Stand Out*" that launched in 2023-24 has helped retain skills as high priority. Aligned with the top 10 skills identified by LSIP employers, students self-assess their abilities with teacher guidance. This data is incorporated into parent-teacher reports, a student online dashboard, and the college Pro-monitor system.
- Reorganisation of the English and Maths department, centralising the line management of staff to report to the Director of English and Maths. The Heads of subject lead on the development, delivery of and quality assure the curriculum. Whilst teaching staff are managed centrally, they are designated and fully integrated into curriculum departments. By focusing on skill, knowledge and personal development, as well as integrating English and Maths into vocational subjects and specific contextualised lessons, the college has achieved increased high-grade attainment in both subjects compared to the previous year, although this is an area of key focus still.
- Active involvement from the Maths department in several key initiatives. These include a DFE-funded programme to develop teachers' mastery skills, a national research study evaluating a new maths programme, and 'Go Teach Maths' project that is focused on creating and maintaining a positive learning environment.
- High staff engagement to national curriculum network activity, for instance T-Level Pathways on Digital, Legal Services and Business benefitting from NSCG curriculum and management staff being appointed as Chairs of Gatsby Curriculum Design Groups.

- NSCG has been selected as one of only seven providers nationally to be a T-Level Insight Hub. The status gives national recognition to NSCG's outstanding delivery of T-Level Programmes and to support sector colleagues by hosting a conference, producing resources for the Department of Education and to support as mentors.
- Successful launch of a new SEND pathway. The College introduced a new Level 2 Foundation Studies Course, which was specifically designed for SEND students to prepare them for a Supported Internship in their final year. This focused pathway ensures students are fully equipped to demonstrate work readiness and maximise their potential for employment. Following the course's launch in the 2024/25 academic year, 12 students successfully secured Supported Internships for the current 2025/26 academic year.
- The continuation of HTQ qualifications in Digital and T levels in high priority areas (Engineering, Health, Midwifery, Digital Production, Construction, Business and Manufacturing) to continue to meet the national and regional demand for skills shortages in these areas. Introduction of new T Level Marketing for 2025/26.
- Continuing support of the existing collaborative arrangements between other colleges, private training providers and local schools to broaden curriculum choice and to improve participation, achievement and progression.
- Introduction of a new AAQ in Medical Science. This curriculum change provides students pursuing an academic pathway with a diverse and specialised qualification within the broader STEM sector.
- Continuing to align the study programme to the employer competency framework to further develop skills and support progression to employment, higher education or an apprenticeship.
- Strong competition success, with the college having an increased number of students participating in industry competitions and WorldSkills events. This has resulted in strong results across multiple departments, including the first-ever national finalist in the Digital Programme WorldSkills, a national finalist in Health, and a runner-up placement in the Intern of the Year Award for a Foundation Studies.
- Retention of the AA Highly Commended College Rosette, Gold Accreditation and Centre of Excellence status in hospitality and catering at the Riverbank Restaurant in Stafford. In addition, the curriculum team were highly commended as team of the year at the Staffordshire Tourism awards and again highly commended by Pearson as part of the National Teaching Awards.
- Increased student and community-wide projects directly supported by employers. A key initiative was the Knife Crime project, which involved students attending awareness-raising talks followed by active fundraising to successfully provide emergency bleed kits for deployment across Stafford town centre; this important project will continue in the current academic year. Complementing this work, Hair and Beauty students consistently demonstrated social commitment by visiting the local homeless hub every six weeks, offering vital well-being services.
- Reinvigoration of college adult provision, strategically focusing on areas tied to the Local Skills Improvement Plan (LSIP) and specific local employment needs like AAT, care, and education, including the launch of ESOL pathways. Crucially, the college collaborates with local employers to design flexible distance learning options that effectively support people who are already in work. This renewed focus extends to community-focused provision, where the college works with grassroots organisations to deliver essential skills and qualifications directly in local settings. This approach is designed to reduce barriers, engage under-represented groups, and build confidence for those outside traditional education, providing clear pathways into work or further learning.
- Promotion of adult enrichment and volunteering at NSCG has enabled learners to contribute to their communities, as demonstrated by involvement in the Staffordshire Community Buddy Scheme and presenting residents' views on shaping Stafford.
- Strong partnership working with Keele-in-Town has supported a community venue that not only increases access to education but also strengthens community cohesion by valuing local diversity.
- High investment in technical and specialist equipment, including digital innovation, providing students with the industry standard technical skills.

- NSCG's Engineering and Construction curriculum achieved significant success this year, highlighted by a NSCG student being named T Level Engineer of the Year at the Enginuity Awards and winning the Best of British award.
- NSCG opened its new Institute of Technology (IoT). A brand new, fully equipped centre, featuring the latest technology such as CAD/CAM, CNC, and BIM software laboratories and Architectural 'design office' environments with fully enabled technology.
- Enhanced curriculum delivery in Motorsports and Automotive that focus on technical and practical skills, supported by new UK Motorsports links, race-time experience, and the introduction of a new Motorsport Higher National Certificate Level 4 (HNC). NSCG also has two teams competing in the UK Motorsport Challenge.
- Development of new Higher Technical Qualifications (HTQs) in both Engineering (e.g., Automation, Control, Robotics) and Construction (e.g., Quantity Surveying, Construction Management).
- Strong industry collaboration and partnerships, such as with Drayton Beaumont, successfully supported T Level students, enabling and expanding provision to include Level 2 and 3 Electrical Installation learners. NSCG also led a national qualification overhaul for Construction Plant Maintenance through IFATE, working with global industry leaders. Drayton Beaumont has set-up an Academy for 2025/26 which will further complement the Colleges offer.
- Strong focus on student development by enhancing Engineering and construction programmes with immersive projects like Regeneration Brainery, employer masterclasses for Architecture students leading to employment offers, and the reintroduction of Level 3 Electrical Installation with professional accreditations.

Events after the Reporting Period

From January 2025, NSCG commenced further discussions with the University of Derby regarding the viability of Leek College transferring out of the University's operations and in to the College Group. NSCG undertook a due diligence review in respect of the transfer which was supported by Knights plc. After receiving the Due Diligence report, the Board of both the University of Derby and NSCG agreed to the transfer of Leek College to NSCG. The transfer agreement was signed by the University and NSCG on the 30th June 2025 which outlined that Leek College would transfer to NSCG with effect from 1st August 2025. Identified assets of Leek College which include land, buildings and some contents transferred to NSCG from the beginning of the 2025-26 financial year. NSCG paid a consideration of £1.2m as a contribution to towards the contents being transferred.

The NSCG Group is committed to maintaining the advertised 2025/26 academic provision, covering all Entry 3 through Level 3 full-time and apprenticeship programmes. To ensure the College was fully operational by September, the NSCG Group immediately undertook a rapid and ambitious infrastructure investment programme. This significant capital expenditure in August 2025 covered:

- A complete Technology Upgrade, including new IT systems and a modern Management Information System (MIS)
- Asset Replacement of essential computer equipment and furniture.
- Major Building Refurbishment and decorating across three principal buildings to enhance the learning environment.
- A comprehensive staff training programme was also executed to ensure all transferring staff were proficient with the new systems, successfully mitigating any potential disruption to the academic calendar.

On 09 December, the College completed the purchase of a property at 41 Greengate Street, Stafford. The property which is a former Bank will be refurbished during 2025/26. This opportunity will enable additional classroom accommodate to support the main Stafford campus, specifically for Adult Education and further space for student growth that is expected to continue.

Streamlined Energy and Carbon Reporting

The Group is committed to reducing its carbon emissions and has continued to improve energy efficiency during the year by updating non-LED lights.

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2024 UK Government’s Conversion Factors for Company Reporting.

Greenhouse Gas Emissions and Energy Use Data	01 August	2024 to 2025	2023 to 2024
2022 to 31 July 2024			
Energy consumption used to calculate emissions (kWh)		8,466,628	10,214,031
Energy Consumption Breakdown (kWh):			
Gas		4,179,490	6,262,482
Electricity		3,910,583	3,617,978
Transport Fuel		376,554	333,571
Scope 1 emissions in metric tonnes CO₂e			
Gas Consumption		847.18	1268.97
Owned Transport		12.80	12.80
Total Scope 1		859.98	1281.77
Scope 2 Emissions in Metric Tonnes CO₂e			
Purchased Electricity		692.17	741.43
Scope 3 Emissions in Metric Tonnes CO₂e			
Business travel in employee owned vehicles		77.70	67.85
Total Gross Emissions in Metric Tonnes CO₂e		1629.85	2091.06
Intensity Ratio			
Tonnes CO ₂ e per member of staff		1.96	3.07

Intensity ratio

The chosen intensity measurement ratio is 1.96 (2023-24 3.07).

Future Prospects

Strategic Plan

During 2025-26, and following the transfer of Leek College in to the Group, the College will complete the process of renewing its Strategic Plan to identify areas of strategic priority over the next three years.

The plan is underpinned by 4 pillars which support the College's strategic intent. The pillars that we see as crucial to the foundation of the College are: our students; our staff; our stakeholders; and our sustainability. Through success in these areas, we plan to further strengthen our contribution to the wider success and sustainability of Staffordshire, Stoke-on-Trent and the local area. Below is an overview of the College's high level strategic intents over the next three years:-

STUDENTS

Our students are at the heart of our College community. We will maintain our consistently strong reputation for the quality of our student experience, the strength of our student support and our commitment to expanding the horizons of our students. Our students will feel safe, happy and well prepared for their next steps.

STAFF

Our talented and diverse teams are the foundation of NSCG's success and critical to our future. We will attract, recruit and retain the best people, and support them to ensure they feel engaged, valued and empowered to grow. Together we will achieve great things.

SUSTAINABILITY

NSCG will be financially, culturally, structurally and environmentally sustainable. We will continue to build an efficient and effective infrastructure, prioritising, allocating and effectively measuring the impact of our resources to allow us to continue the investment required to sustain a high performing, resilient organisation.

STAKEHOLDERS

We are a college at the heart of the communities we serve. We pride ourselves on partnership working within Staffordshire, and beyond. We will nurture and develop partnerships that benefit students, make sense financially and have a positive impact on our wider community.

Ofsted

NSCG was inspected by Ofsted in October 2024 and the following outcomes were achieved:

- Overall effectiveness – **Outstanding**
- Quality of education – **Outstanding**
- Behaviour and attitudes – **Outstanding**
- Personal development – **Outstanding**
- Leadership and management – **Outstanding**
- Education programmes for young people – **Outstanding**
- Adult learning programmes – **Outstanding**
- Apprenticeships – **Outstanding**
- Provision for learners with high needs – **Outstanding**
- Meeting Skills Need – **Strong Contribution** (highest grade possible)

Financial Plan

The Corporation approved a financial plan in July 2025 which sets objectives for the period to July 2027. The Group aims to maintain its financial health rating of at least “good” and achieve a surplus in the year to 31 July 2027 in order to generate cash for further investment in the estate, IT and speciality faculty equipment.

In line with the available demographic data through the ONS, growth has been forecast across income lines, with the resultant teaching and support staffing costs also increased. Cost increases have also been included to account for inflationary pressures.

Sources of Income

The College has agreed a funding allocation for 2025-26 totalling £47,520k. (2024-25 - £41,744k).

The Group continues to increase financial contribution by introducing a number of efficiency schemes across all aspects of the organisation. The Group continually strives to reduce its dependency on public funds and seek opportunities where significant strengths exist.

Resources

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

At the Newcastle campus tangible resources include the main college estate. In 2009 the College took occupation of a new £60 million purpose built site, and the purpose built £4.4m Performing Arts Centre was added in January 2015.

At the Stafford campus tangible resources include the fully refurbished Broadeye building to become a high quality learning environment specifically for STEM provision. The Riverbank building was a new build project completed in 2013 and the Tenterbanks building, which is a listed building, has undergone minor refurbishment with more substantive refurbishment to be undertaken in future years. The Skills and Innovation Centre was completed in June 2023 at the Stafford campus. The Building was funded by a DfE grant of £18m and a College contribution of £9.5m. The new building opened for student use from September 2023 and represents the completion of the Stafford campus by moving off-site provision from Palmbourne, on to the main campus.

In July 2017 the Corporation took the decision to cease to use both the Earl Street and Broad Street buildings therefore creating the need for those assets to be impaired. The impact of the impairment (£11,511k) was included in the 2016-17 financial statements. In July 2019 the Corporation took the decision to cease use of the Sports Hall at the Stafford Campus, therefore, creating a need for the asset to be impaired. The impact of the impairment (£728k net of grants released), was included in the 2018-19 financial statements.

Due to the increase in student numbers in September 2023, and further anticipated increases for September 2024, the College reviewed its estate to ensure that the College has sufficient accommodation to meet the additional demand. The Corporation made the decision in October 2023 to embark on an £8m capital project at the Newcastle campus to build a new Sports Hall and to refurbish the existing sports hall to create additional teaching space to support the delivery of T Levels. Construction started in October 2023 and the project was completed in August 2024.

The Palmbourne site closed in July 2023 as the engineering and STEM provision relocated to the Skills and Innovation Centre at the Stafford Campus. All buildings were demolished by January 2024 and the construction of the IoT started shortly thereafter. The College identified a £5.5m contribution towards the establishment of an Institute of Technology (IoT) working with employers, HE providers and other FE providers in Stoke on Trent and Staffordshire. The DfE have provided a significant contribution at £16.9m towards the overall building costs and the UK Shared Prosperity Fund has provided £1.7m support towards the purchase of land to support the project. The IoT was completed on the 11th July 2025 and was opened for students from September 2025.

Principal Risks and Uncertainties

The Group has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the Group is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the Group. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against any risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which might arise as a result of a new areas of work being undertaken by the College.

A risk register is maintained at College level which is reviewed regularly by the Senior Management Team and a risk report is considered at every meeting of the Audit and all other sub committees with a full review of the register also undertaken at least annually by the Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce or mitigate them. Risks are prioritised using a consistent scoring system.

This is supported by risk management briefings to raise awareness of risk throughout the College.

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

Government funding

The Group has considerable reliance on continued government funding through the further education funding bodies. In 2024-25 83.38% (2023-24 88.14%) of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding, including policy changes by the new government, apprenticeship and BTEC reforms and the devolution of the adult education budget. The College, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution agenda and to the apprenticeship reform.

Other issues which may impact on future funding are:

- The change in government on 4th July 2024 means there is uncertainty within the FE sector in relation to both revenue and capital funding and education policies
- The continued economic position
- Ofsted inspection regimes
- 16-18 funding rates
- Increased pressure regarding pay and conditions
- The increase in targets for T level students and the awareness of students in relation to this pathway.
- Continuation of grants to fund the increase in insurance costs
- The availability of growth fund income from the DfE and Treasury to meet the costs of growth in the sector and particularly at NSCG
- Continued capital investment to create suitable accommodation in response to increase in learner numbers
- Factors associated with reclassification to the public sector

- Increases in learner numbers from disadvantaged backgrounds who require tailored and sufficient support in order to access education.

The risk is mitigated in a number of ways:

- By ensuring that the Group is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- Continued Lobbying with Local MPs and representations to Parliament to increase awareness of the issues within Further Education and how these impact NSCG and our students
- Ensuring that the College is focused on those priority sectors as detailed in the Local Skills Improvement Plan.
- Regular dialogue with the Department for Education (DFE), local authorities, employers, Local Education Partners and the Chamber of Commerce
- High quality, flexible and well-resourced buildings and facilities to provide the best possible learner experience in the area
- Review of Group delivery costs, the use of innovative opportunities, in particular the allocation of resources and the cost of delivering back office functions and the use of artificial intelligence to support these
- Continuing to market and increase awareness of the T level funding pathway for students.

Tuition fee policy

Ministers confirmed that the fee assumption remains at 50% for 2025-26. In line with the majority of other colleges, Newcastle and Stafford Colleges Group has increased tuition fees in accordance with the reported fee assumptions. The price elasticity of adult learning is managed carefully by the College. The risk for the College is that demand falls off as fees increase. This will impact on the growth strategy of the College.

The risk is mitigated in a number of ways;

- By ensuring that the College is rigorous in delivering high quality education and training, thus ensuring value for money for learners
- Close monitoring of the demand for courses as prices change
- Flexibility of delivery including bespoke courses.

Maintain adequate funding of pension liabilities

The financial statements report the share of the pension deficit on the College's balance sheet in line with the requirements of FRS 102. A detailed actuarial valuation using CPI as at 31 July 2025 has indicated a pension asset of £33,190k (2023-24 £20,174k).

Under FRS 102, a pension scheme asset should only be recognised to the extent that the Organisation is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The full triennial pension scheme valuation was completed at the end of March 2022 with draft results being circulated indicating that the LGPS is currently in surplus and future lump sum contributions will reduce over the next three years. It has therefore been agreed to not recognise the full actuarial gain of £13,016k and recognise a small pension liability of £3k on the Balance Sheet.

Failure to maintain the financial viability of the College

The College's current financial health grade is "Outstanding" as described above. The continuing challenge to the Group's financial position remains the constraint on further education funding arising from the ongoing cuts in public sector spending against the back drop of continued pressure for higher levels of pay whilst maintaining the student experience.

The risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis
- Regular in year budget monitoring
- Robust financial controls
- Exploring ongoing procurement efficiencies
- Effective Curriculum planning

Performance indicators

Financial objectives

The Group's financial objectives are

- To achieve an annual operating surplus on ordinary activities
- To pursue alternative sources of funding, on a selective basis, consistent with the College's core areas of expenditure, and the need for a financial contribution to the Group's overall finances
- To generate sufficient levels of income to support the asset base of the Group
- To maintain the Group's short, medium and longer term liquidity
- To fund continued capital investment
- To maintain "Outstanding" financial health as defined by the DFE

The College is required to complete the annual Finance Record for the Department for Education (DFE). The College is assessed by the DFE as having an "Outstanding" financial health grading. The current rating of Outstanding is considered an acceptable outcome.

Treasury Policy and Objectives

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

The College has a separate Treasury Management Policy in place.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the year to 31 July 2025 the Group made 97.03% (2024-25 97.99%) payments to suppliers within 30 days from receipt of invoice. The College incurred no interest charges in respect of late payment for this period.

Stakeholders

In line with other colleges and universities, Newcastle and Stafford Colleges Group has many stakeholders. These include:

- Current, future and past learners
- Education sector funding bodies
- Staff and their Trade Unions. The Senior Management Team are named on page 2. The Trade Unions of the Newcastle and Stafford Colleges Group are members of the University and College Union, National Education Union and Unison
- Local employers (with specific links)
- Local authorities
- Chamber of Commerce
- Local Education Partnerships
- Higher Education Institutions
- Local community
- Other FE institutions
- Professional bodies within the further education sector
- Local schools

The Group recognises the importance of these relationships and engages in regular communication with them through the College website, by meetings and through personal contact by individual staff members.

Equality and Diversity

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. In particular we are committed to achieving our obligations under the Equality Act 2010 to:

- Eliminate discrimination, harassment and victimisation;
- Promote equality of opportunity; and
- Foster good relations between different Groups.

This policy is resourced, implemented and monitored on a planned basis. The College's Single Equality Scheme is published on the College website:

<https://nscg.ac.uk/life-at-nscg/support/equality-diversity>

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. Our performance in this area is monitored by managers and Governors.

The College has committed to the AOC's Mental Health Charter to assist the mental health wellbeing of students and staff.

Gender pay gap reporting

Background

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require that all organisations with 250 or more employees undertake mandatory analysis of their gender pay gap.

We are required to undertake an analysis, in a tightly prescribed format, of the following:

- the percentage gap between the mean total pay (including any overtime or additional payments, or payments in kind e.g. nursery vouchers) for men and women;
- the percentage gap between the median total pay (including any overtime or additional payments, or payments in kind e.g. nursery vouchers) for men and women;
- the percentage of men and women receiving bonuses
- the percentage gap between the mean bonus pay for men and women;
- the percentage gap between the median bonus pay for men and women; and
- the proportion of men and women in each pay quartile.

The analysis is to be undertaken for the period 1 April 2023 to 31 March 2024 and must be uploaded to the gov.uk website by 5 April 2025.

General Context

Last year around 11,100 organisations submitted data which revealed that the overall mean gender pay gap was 12.4% with the median gap being 11.4%.

At the time of writing around 3,000 organisations have posted the results of their analysis for the 2023/24 period with the mean pay gap for total pay currently standing at 10.9% and the median being 11.0%.

Further Education Sector Context

Last year 286 colleges within the FE sector reported a mean pay gap for total pay ranging from +29.5% to -9.7% with the sector mean being 9.7%. The median total pay range was +48.1% to -8.3% with the overall sector median being 15.4%.

Nationally the distribution of men and women by pay quartile across the FE sector was:

Quartile	Lower	Lower-Mid	Upper-Mid	Upper
Men	27.3%	31.2%	39.6%	44.4%
Women	72.6%	68.7%	60.4%	55.6%

This year 70 colleges have so far reported the results of their analysis for the 2023-24 period with the mean pay gap for total pay currently standing at 10.2% and the median being 15.8%.

NSCG Results

Mean= 7.4% Median 10.4%

The distribution of men and women by pay quartile within NSCG is:

Quartile	Lower	Lower-Mid	Upper-Mid	Upper
Men	31.4% (31.4%)	31.1% (26.8%)	45.6% (43.1%)	42.0% (42.1%)
Women	68.6% (68.6%)	68.9% (73.2%)	54.4% (56.9%)	58.0% (57.9%)

(2022/23 in brackets)

Disability Statement

The College is a “Disability Confident” employer and has committed to the principles and objectives of the scheme. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicants who meet the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College’s policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The College has an open and welcoming policy towards applicants who may have a physical or learning disability or mental health issue and recognizes the rights of all students to be given equal treatment regardless of disability. All reasonable adjustments will be made to ensure that persons with disabilities are not placed at a disadvantage in their studies, in employment or in access to the College’s facilities and services.

Trade Union Facility Time

Support is given to the recognised trade union officials in pursuit of their trade union duties. The College’s Report for the period 01 April 2024 to 31 March 2025 is as follows:

Number of employees who were relevant union officials during the relevant time period	Full-time equivalent employee numbers
8	687
Percentage of time - %	Number of employees
0	0
1-50	8
51-99	0
100	0
The total cost of facility time	29,306
Total pay bill	29,306,000
The percentage of the total pay bill spent on facility time	0.10%
Paid trade union activities	0
Time spent on paid trade union activities as a percentage of total paid facility time hours	10%

Going Concern

After making appropriate enquiries, and reviewing the financial forecasts for the period of 12 months post December 2025, the Corporation considers that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Considers the risk control framework

Disclosure of Information to the 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 Groups' 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 Groups' auditors are aware of that information.

Approved by the order of the members of the Corporation on 09 December 2025 and signed on its behalf by:

A handwritten signature in dark ink, appearing to be 'Simon Leech', written in a cursive style.

Simon Leech

Chair

Statement of Corporate Governance and Internal Control

Governance Code

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual reports 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); and
- In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”)

In the opinion of the Governors, the Group complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code and reported to the Board on 09 December 2025. The Governing body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges originally issued by the Association of Colleges in 2015. The updated 2024 revision of the Code was formally adopted by the Governing body at the 09 December 2025 Corporation meeting.

The Corporation is content that policies, procedures and approval processes have been updated to ensure compliance with the new requirements following reclassification and that the College has established systems and processes to identify and handle any transactions for which DfE approval is now required.

The Corporation

The governors, including co-opted members, who served on the Corporation during the year up to the 31 July 2025, and up to the date of signature of this report, were as listed in the table below. Attendance data refers only to Board and Committee meetings held between 01 August 2024 and 31 July 2025 on which members served, not when members attended as observers.

Name	Date of Appointment	Year of 1 st Appointment	Terms of Office	Date of Resignation	Committees Served	Attendance
Craig Hodgson	01.09.22	-	-	-	Principal and Chief Executive Officer	100%
Alan Aston	10.11.20	2012	4 Years		Education & Standards (Chair; former Vice Chair)	100%
Becky Bagguley	24.10.24	2024	4 Years		Education & Standards (Vice Chair)	100%
Sam Barber	25.10.23	2023	2 Years		Education and Standards	73%
Helen Blaikie	24.10.24	2024	4 Years		Audit	80%
Sarah Burns	25.03.24	2024	4 Years		Education and Standards	50%
Freddie Crisp	24.10.24	2024	1 Year		Student Board	50%
Martin Earnshaw	03.10.21	2017	4 Years		Finance & General Purposes (Vice Chair)	83%
Gareth Jones (Vice Chair)	10.11.20	1992	4 Years		Finance & General Purposes (Chair), Remuneration, Search	100%
Steve Jones	30.03.23	2015	4 Years		Audit (Chair; former Vice Chair)	92%
Simon Leech (Chair)	10.11.20	1992	4 Years		Finance & General Purposes, Remuneration, Search	73%
Bernard Lovatt	17.07.21	2001	4 Years	17.07.25	Audit (Vice Chair)	100%
Irene Mortimer	24.10.24	2024	4 Years		Audit	100%
Mark Ormerod	25.03.24	2024	4 Years		Education and Standards	77%
Jeremy Pert	18.10.22	2016	4 Years		Finance & General Purposes	73%
Nathan Roberts	24.10.24	2024	2 Years		Finance & General Purposes	90%
Jim Rowley	03.03.22	1994	4 Years	28.11.24	Audit (Vice Chair; former Chair), Search	100%
Kevin Simpson	24.10.24	2024	4 Years		Finance & General Purposes	92%
Dave Styche	11.12.24	2024	4 Years		Audit	100%
Francis Tunney	14.03.21	2013	4 Years	14.03.25	Education & Standards	100%
Diana Zaoui	24.10.24	2024	1 Year		Student Board	25%

Overall attendance at Corporation and Committee meetings for the year ended 31 July 2025 was 88% against a target of 75%.

Andy Bailey, Group Head of Compliance and Governance, acted as Clerk.

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 four times per academic year. Additionally, the Board holds extraordinary meetings when required.

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, Education and Standards, Finance and General Purposes, Remuneration and Search. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

Newcastle and Stafford Colleges Group
Knutton Lane
Newcastle-under-Lyme
Staffordshire
ST5 2GB

The Clerk to the Corporation maintains a register of financial and personal interests of the governors and senior staff. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the 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 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. Briefings are also provided on an ad hoc basis.

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

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search Committee, consisting of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for terms of office not exceeding four years.

Development Activities of Governors during the Year

Governors have participated in a range of activities during the year designed to enhance their understanding of the College's methods and practice including Learning Walk-Throughs, the Annual Learner Conference, the Governor / Manager away day which together with the Governor/Manager Pairing Scheme, enables them to see, in a more direct way, how the College operates and to have contact with staff outside the senior staff members who attend Corporation meetings.

Corporation Performance

The Corporation carried out a formal and rigorous self-assessment of its performance, that of its committees and individual governors for the year ended 31 July 2025. The governing body completed an independent Board Review in March 2024. The overall conclusion from this review on Board effectiveness is that there is evidence that the Board is proficient and has some impact on college strategy, effectiveness and outcomes. The following were given as particular areas for development:-

1. To look at developing a framework setting out expectations for information requirements for key decisions.
2. Management to support follow up and provide clarification on actions from discussions.
3. To develop the induction programme and build in 1:1 Chair and governor conversations.

These areas have been incorporated in to an action plan for Governors.

Internal / External Review of Governance

Audit Committee

The Audit Committee comprised five members of the Corporation (excluding the Accounting Officer and Chair of the Corporation) and one co-opted member. The committee operates in accordance with written terms of reference approved by the Corporation and is consistent with the DFE Joint Audit Code of Practice. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management control and governance processes.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal and financial statement auditors, who have access to the committee for independent discussion, without the presence of College management. The committee also receives and considers reports from the main FE funding bodies as they affect the College's business. Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

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 and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to Corporation.

Education and Standards Committee

The Education and Standards Committee comprises five members of the Corporation, including the Principal, and one external member. The Committee makes recommendations to the Corporation on the educational character and mission of the College. It has oversight of quality issues and it considers feedback from learners on educational issues. It monitors and approves targets for learner numbers and learner success and considers other appropriate performance indicators as part of the target setting process.

Finance and General Purposes Committee

The Finance and General Purposes Committee comprises six members of the Corporation, including the Principal. The Committee has responsibilities in advising the Corporation on financial, employment, estates and other general matters. It has delegated powers to dispose of assets, approve minor capital projects and to enter into borrowing arrangements up to an agreed maximum.

Throughout the year the Committee monitors the College's financial performance against budget and considers annual estimates of income and expenditure.

Remuneration Committee

Throughout the year ending 31 July 2025 the College's Remuneration Committee comprised four members, including the Principal. The committee's responsibilities 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.

Details of remuneration for the year ended 31 July 2025 are set out in note 9 to the financial statements.

Search Committee

The Search Committee comprises five members of the Corporation, including the Principal. It reviews the skills analysis of Corporation members and identifies skills, qualities and experience desirable when new members are sought. It makes recommendations to the Corporation on the appointment of new members and the re-appointment of existing members.

Internal Control

Scope of Responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between Newcastle and Stafford Colleges Group and the funding bodies. He is also responsible for reporting to the Corporation any material weakness or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. 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 Newcastle and Stafford Colleges Group for the year ended 31 July 2025 and up to the date of approval of the annual reports and accounts.

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- Regular reviews by the governing body of 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 Group has an internal audit service, which operates in accordance with the requirements of the DFE's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the Group is exposed, and annual internal 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. As a minimum, the Head of the Internal Audit service provides a report on internal audit activity in the Group. The report includes the Audit Committee's independent opinion on the adequacy and effectiveness of the Group's system of risk management, controls and governance processes.

Responsibilities under funding agreements

The Department for Education introduced new controls for the College on 29 November 2022, on the day that the ONS reclassified colleges as public sector organisations in the national accounts. The DfE Chief Executive communicated these changes to all college accounting officers in a new college financial handbook which was introduced in March 2024. The Corporation is content that policies, procedures and approval processes have been updated to ensure compliance with the new requirements following reclassification and that the College has established systems and processes to identify and handle any transactions which DfE approval is now required.

Statement from the Audit Committee

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective controls in place.

The specific areas of work undertaken by the audit committee in 2024-25 and up to the date of the approval of financial statements are:

- Consideration of the Assurance Framework, determination of the scope of audits and monitored progress towards actions recommended
- Regularly reviewed the risk register, undertook deep dives on pertinent risk areas and provided comprehensive assurance to the Board on Risk Mitigations
- Provided oversight of the performance of the external and internal auditors
- Provided oversight of the Post-16 Audit Code of Practice with a focus on the implications of reclassification
- Provided a specific focus on cyber risk and monitored the recommendations of the specialist external auditor
- Tendered for a new internal audit provider

Review of effectiveness

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

- 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 and the regularity auditors in their management letters and other reports.


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

The Accounting Officer and senior management team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Accounting Officer and Senior Management Team and the Audit Committee also receive regular reports from the internal audit service, and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its 09 December 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit, taking account of events since 31 July 2025.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate 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 member of the Corporation on 09 December 2025 and signed on its behalf by:



Simon Leech

Chair



Craig Hodgson

Principal / CEO and Accounting Officer

Statement of Regularity, Propriety and Compliance with Funding Body Terms and Conditions of Funding

As Accounting Officer I confirm that the Corporation has had due regard to the requirements of grant funding agreements and contracts with the DFE and has considered its responsibility to notify the DFE of material irregularity, impropriety and non-compliance with 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 terms and conditions of funding, under the Corporation's grant funding agreements and contracts with the DFE, or any other public funder.

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



Craig Hodgson

Principal / CEO and Accounting Officer

Date: 9.12.25

Statement of the Chair of Governors

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



Simon Leech

Chair of Governors

Date: 9.12.25

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation, who act as trustees for the charitable activities of the College, are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Financial Memorandum between the Department for Education and the Corporation of the College, requires the corporation of the college to prepare financial statements and the Report of the Governing body for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, the annual Accounts Direction issued by the Department for Education, the Accounts Direction issued by the Office for Students and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and which give a true and fair view of the state of affairs of the College and of the College's surplus / deficit of income over expenditure for that period.

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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the Charities Act 2011 and other relevant accounting standards. It is responsible for taking steps in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The Corporation is also required to prepare a strategic report, in accordance with paragraph 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 maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that funds from the Department for Education are used only in accordance with the authorities that govern them as defined by and in accordance with the Further and Higher Education Act 1992, subsequent legislation and related regulations and the Financial Memorandum with the Department for Education and any other conditions that may be prescribed from time to time by the DfE or any public funder, including that any transactions entered by the Corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the Corporation, the Chair of the Board of Governors is responsible for discussing the Accounting Officer's statement of regularity, propriety and compliance with the accounting officer. They are also responsible for ensuring funds received from the Office for Students or other sources are properly applied for the purpose for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

Approved by order of the members of the Corporation on 09 December 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Simon Leech', written in a cursive style.

Simon Leech

Chair

Independent Auditor's Report to the Corporation of Newcastle and Stafford Colleges Group

Opinion

We have audited the financial statements of Newcastle and Stafford Colleges Group (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2025 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/college 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 2025 and of the Group's and the College's surplus/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 3 to the accounts, has been materially misstated.

Responsibilities of the governing body of Newcastle and Stafford Colleges Group

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 32 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.

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, Regulatory Advice 9: Accounts Direction published by the Office for Students' and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

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.

The group audit engagement team identified the risk of management override of controls and other risks 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 include key procedures to address other risk(s).

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 this 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 20 November 2025. 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
Festival Way
Festival Park
Stoke-on-Trent
ST1 5BB
5 December 2025

Consolidated and College Statements of Comprehensive Income and Expenditure for the year ended 31 July 2025

	Notes	2025		2024	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	3	51,614	50,947	47,216	46,522
Tuition fees and education contracts	4	2,536	2,523	2,557	2,546
Research grants and contracts	5	949	934	710	775
Other income	6	2,479	2,114	1,948	1,602
Investment income	7	708	775	590	618
Total income		58,286	57,293	53,021	52,062
EXPENDITURE					
Staff costs	8	(36,879)	(36,180)	(32,494)	(31,859)
Other operating expenses	10	(15,133)	(14,722)	(14,655)	(14,128)
Depreciation	13	(3,674)	(3,665)	(3,327)	(3,318)
Interest and other finance costs	11	(5)	(5)	0	0
Total expenditure		(55,691)	(54,572)	(50,477)	(49,305)
Surplus before tax		2,595	2,721	2,544	2,757
Taxation	12	-	-	-	-
Surplus for the year		2,595	2,721	2,544	2,757
Re-measurement of net defined liability	22	(1,205)	(1,205)	(1,526)	(1,526)
Other comprehensive income		(1,205)	(1,205)	(1,526)	(1,526)
Total Comprehensive Income for the year		1,390	1,516	1,019	1,232
Represented by:					
Unrestricted comprehensive income		1,390	1,516	1,019	1,232
Surplus for the year attributable to:					
Corporation of the Group		1,390	1,516	1,019	1,232
Total Comprehensive Income for the year attributable to:					
Corporation of the Group		1,390	1,516	1,019	1,232

Consolidated and College Statement of Changes in Reserves for the year ended 31 July 2025

	Restricted reserve £'000	Income and expenditure account Unrestricted reserve £'000	Revaluation reserve £'000	Total £'000
Group				
Balance as at 31 July 2023	5	66,648	632	67,285
Surplus from the income and expenditure account	-	2,544	-	2,544
Other comprehensive income	-	(1,526)	-	(1,526)
Total comprehensive income for the year	-	1,019	-	1,019
Balance as at 31 July 2024	5	67,666	632	68,304
Surplus from the income and expenditure account	-	2,595	-	2,595
Other comprehensive income	-	(1,205)	-	(1,205)
Total comprehensive income for the year	-	1,390	-	1,390
Balance as at 31 July 2025	5	69,056	632	69,694
College				
Balance as at 31 July 2023	5	67,563	632	68,200
Surplus from the income and expenditure account	-	2,757	-	2,757
Other comprehensive income	-	(1,526)	-	(1,526)
Total comprehensive income for the year	-	1,231	-	1,232
Balance as at 31 July 2024	5	68,793	632	69,430
Surplus from the income and expenditure account	-	2,721	-	2,721
Other comprehensive income	-	(1,205)	-	(1,205)
Total comprehensive income for the year	-	1,516	-	1,516
Balance as at 31 July 2025	5	70,309	632	70,946

Balance Sheets as at 31 July 2025


		2025		2024	
	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Fixed assets					
Tangible Fixed assets	13	124,334	124,084	108,165	107,906
Investment property	14	1,600	1,600	1,600	1,600
Investments	15	-	2,064	-	2,064
		125,934	127,748	109,765	111,570
Current assets					
Stocks		61	52	72	63
Debtors	16	3,764	3,819	2,059	2,017
Cash at bank and in hand	20	17,602	16,734	20,241	19,375
		21,427	20,605	22,372	21,455
Current liabilities					
Less: Creditors – amounts falling due within one year	17	(10,827)	(10,566)	(9,769)	(9,529)
Net current assets		10,600	10,039	12,603	11,924
Total assets less current liabilities		136,534	137,787	122,367	123,495
Creditors – amounts falling due after more than one year	18	(66,153)	(66,153)	(53,201)	(53,201)
Provisions for liabilities					
Defined benefit obligations	22	(3)	(3)	0	0
Other provisions	19	(684)	(684)	(862)	(862)
Total net assets		69,694	70,946	68,304	69,432
Reserves					
Restricted Reserves		5	5	5	5
Unrestricted Reserves					
Income and expenditure reserve		69,056	70,309	67,667	68,795
Revaluation reserve		632	632	632	632
Total reserves		69,694	70,946	68,304	69,432

The financial statements on pages 35 to 66 were approved and authorised for issue by the Corporation on 09 December 2025 and were signed on its behalf on that date by:



S Leech

Chair



C Hodgson

Principal / CEO and Accounting Officer

Consolidated Statement of Cash flows for the year ended 31 July 2025

	Notes	2025 £'000	2024 £'000
Reconciliation of surplus after tax to net cash used in operations			
Surplus after tax		2,595	2,544
Adjustment for non-cash items			
Depreciation	13	3,674	3,327
Interest payable	11	(5)	0
Investment income	7	(708)	(590)
(Decrease) / Increase in provisions		(1,380)	(1,508)
Release of deferred capital grant		(1,923)	(1,970)
Pensions costs less contributions payable	23	(289)	53
Operating cash flows before movements in working capital		1,964	1,856
Decrease in stocks		12	169
(Increase)/decrease in debtors		(1,705)	(305)
(Decrease)/increase in creditors due within one year		1,058	(284)
Net cash flow from operating activities		1,329	1,436
Cash flows from investing activities			
Investment income	7	708	590
Loss on asset disposals		0	(25)
Capital grants received		15,167	6,551
Payments made to acquire fixed assets	13	(19,843)	(12,628)
		(3,968)	(5,512)
(Decrease) / Increase in cash and cash equivalents in the year		(2,639)	(4,076)
Cash and cash equivalents at beginning of the year	20	20,241	24,317
Cash and cash equivalents at end of the year	20	17,602	20,241

Notes to the Financial Statements

1. Statement of accounting policies and estimation techniques

General information.

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2023 to 2024*, *Regulatory Advice 9: Accounts Direction issued 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 historic cost convention modified to include the investment property at fair value.

The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

The preparation of financial statement in compliance with FS102 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 functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise stated.

In accordance with the 2019 FE HE SORP and FRS102 the College in its separate financial statements, which are presented alongside the consolidated financial statements, has taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement and financial instruments.

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, Axia Solutions Ltd, Gradbach Ltd and the Stoke-on-Trent and Staffordshire Institute of Technology Ltd, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of 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. All intra-group transactions, balances and unrealised gains on transactions are eliminated fully on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by other members of the Group. In accordance with FRS 102, the activities of the Student Union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2025.

Going Concern

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

The Group has net current assets of £10,599k, net assets of £69,693k and cash balances of £17,602k with no borrowings. The Group has undertaken detailed forecasting of anticipated financial performance beyond the 12 month period post December 2025 and has analysed the resultant cash flows. Accordingly the Group has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are recognised where a reliable estimate of the fair value of the asset received or receivable can be made in a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Adult Education Budget (AEB) grant income is recognised as a best estimate of the amount receivable in accordance with the annual main funding guidance published by the DFE and either determined as part of the reconciliation process or by separate agreement between the Group and the DFE at the reporting period end date. Any subsequent agreement to determination of the AEB after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income generated.

16-18 learner responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Levy funding and DFE funding for co-investment model apprenticeship income is measured in line with best estimates of the provision delivered in the year.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

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

Grants from non-government sources, including grants related to assets, are recognised in income when the performance related conditions have been met and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Capital grant funding – government grants

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

Fee income

Income from tuition fees, including employer funding for co-investment funded apprenticeships is recognised over the period for which it is received. All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

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 Group acts as an agent in distributing Bursary support funds and the Further Education Free Meals funds from the funding bodies. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Group where the Group does not have control of the economic benefit related to the transaction.

Accounting for post-employment arrangements

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Staffordshire Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost of the defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income.

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 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 Group. The cost of any unused holiday entitlement the Group expects to pay in the future periods is recognised in the period the employees' services are rendered.

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Group 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 Group's comprehensive income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Fixed asset investments

The Groups' interest in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statement of the Group.

Interest in subsidiaries is assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in comprehensive income.

Non-current Assets – Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

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

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

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account, and are released to the income and expenditure account over the expected useful economic life of the related assets on a basis consistent with the depreciation policy.

Land and buildings are stated at costs at the date of transition to FRS 102 less accumulated depreciation and accumulated impairment losses.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31 July 2025. They are not depreciated until they are brought into use.

Equipment

Equipment costing less than £1,500 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of assets is calculated on a straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

- Freehold buildings 50 years
- General equipment 3-10 years on a straight-line basis
- Computer equipment 3 years on a straight-line basis

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

Impairment of fixed assets

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.

As assessment is made at each reporting date of whether there are indications that a fixed asset may be Impaired or that an Impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of the fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value in-use, are recognised as Impairment losses. Impairment of revalued assets, is treated as a revaluation loss. All other Impairment losses are recognised in comprehensive income.

Recognised Impairment losses are reversed if, and only if, the reasons for the Impairment loss have ceased to apply. Reversals of Impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an Impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income. Any lease premiums or incentives relating to the leases signed after 01 August 2014 are spread over the minimum lease term.

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

Assets held under finance leases are recognised initially at the fair value of the leased asset at the inception of the lease. The corresponding liability to the lessor is included in the Balance Sheet as an obligation under finance leases. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for Impairment losses in the same way as owned assets.

Intangible assets – goodwill

Goodwill representing the excess of the consideration for an acquired undertaking, or acquired trade and assets, compared with the fair value of net assets acquired is capitalised and written off evenly over 5 years as in the opinion of the directors this represents the period over which goodwill is expected to give rise to economic benefits. Goodwill is reviewed for Impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Maintenance of premises

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure in the period in which it is incurred.

Financial instruments

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

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs) except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding the transaction costs), unless arrangement constitutes a financial transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest or a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Inventories

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

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.

Foreign currency translation

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provision for 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 the amount of the obligation can be reliably measured.

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. That reflects the risks specific to the liability. 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 Group. 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.

2. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

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

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine the existence of a minimum funding requirement for the Local Government pension Scheme to be included in the asset ceiling in measurement and recognition a surplus in the Scheme. This judgement is based on an assessment of the nature of the Scheme as a statutory scheme and its inherent implied continuance as well as 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, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

Local Government Pension Scheme

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

Impairment of fixed assets

The Group considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and the selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

3. Funding body grants

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Recurrent grants				
Education and Skills Funding Agency - 16-18	39,306	39,306	35,359	35,359
Education and Skills Funding Agency - adult	1,700	1,700	2,138	2,001
Education and Skills Funding Agency - apprenticeships	6,774	6,107	6,150	5,593
Office for Students	183	183	198	198
Specific grants				
Education and Skills Funding Agency - 16-19 Tuition Fund			514	514
Specific grants				
Teachers' pension scheme contribution grant	1,588	1,588	1,158	1,158
National Insurance scheme contribution grant	253	253		
Other ESFA Grants	60	60	28	28
Releases of government capital grants	1,750	1,750	1,671	1,671
Total	51,614	50,947	47,216	46,522

4. Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Fees for non-qualifying courses:				
Adult education fees	117	117	151	151
Apprenticeship fees and contracts	58	45	134	123
Fees for FE loan supported courses	225	225	353	353
Other fees	86	86	112	112
Total fees for non-qualifying courses	486	473	751	739
Fees for qualifying courses	1,134	1,134	1,197	1,197
Education contracts	916	916	609	609
Total	2,536	2,523	2,557	2,546

5. Research grants and contracts and other grants

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Research grants and contracts	949	934	710	775

6. Other income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	1,821	1,648	1,336	1,232
Other income generating activities	485	293	457	214
Non-government capital grants	173	173	156	156
Total	2,479	2,114	1,948	1,602

7. Investment income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Income from bank deposits	708	708	590	590
Dividend from subsidiaries	(0)	67	0	29
	708	775	590	618

8. Staff costs – Group and College

The average number of persons (including key management personnel) employed by the College during the year, expressed as average headcount based on a monthly calculation was:

	2025	2024
	No.	No.
Teaching staff	391	368
Non-teaching staff	545	498
	<hr/>	<hr/>
	936	866
	<hr/> <hr/>	<hr/> <hr/>

Staff costs for the above persons:

	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Wages and salaries	28,040	27,434	25,502	24,949
Social security costs	2,923	2,866	2,351	2,321
Other pension costs	5,894	5,858	4,562	4,513
	<hr/>	<hr/>	<hr/>	<hr/>
Payroll sub total	36,857	36,158	32,415	31,783
Restructuring costs - contractual	22	22	79	76
	<hr/>	<hr/>	<hr/>	<hr/>
Total Staff costs	36,879	36,180	32,494	31,859
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and which comprise the Principal and Director of Finance and Corporate Services.

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was:	4	2

The number of key management personnel and other staff who received annual emoluments in excess of £60,000, excluding pension costs and employers' national insurance costs but including benefits in kind, in the following ranges, was:

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,001 to £65,000 pa	0	0	1	6
£65,001 to £70,000 pa	0	0	5	3
£70,001 to £75,000 pa	0	0	0	4
£75,001 to £80,000 pa	0	0	6	0
£80,000 to £85,000 pa	0	0	4	0
£85,001 to £90,000 pa	0	0	1	2
£90,001 to £95,000 pa	0	0	0	1
£95,001 to £100,000 pa	1	0	0	0
£100,001 to £105,000 pa	0	0	0	2
£105,001 to £110,000 pa	0	0	1	2
£115,001 to £120,000 pa	0	0	1	0
£120,000 to £125,000 pa	0	1	0	0
£125,001 to £130,000 pa	1	0	1	0
£140,001 to £145,000 pa	1	0	0	0
£170,000 to £175,000 pa	0	1	0	0
£205,000 to £210,000 pa	1	0	0	0
	4	2	20	20

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2025	2024
	£'000	£'000
Salaries	511	295
National insurance	65	36
Benefits in kind	4	5
	<u>580</u>	<u>336</u>
Pension contributions	131	74
	<u>131</u>	<u>74</u>
Total emoluments	<u>711</u>	<u>410</u>

The above costs include salary sacrifice arrangements for the Accounting Officer, as detailed in the note below.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid of key management personnel) of:

	2025	2024
	£'000	£'000
Salaries	186	173
Non-consolidated bonus		1
National insurance	23	21
Benefits in kind	3	1
	<u>211</u>	<u>196</u>
	<u>211</u>	<u>196</u>
Pension contributions	45	40
	<u>45</u>	<u>40</u>

The above emoluments include salary sacrifice amounts of £15k (2023-24 £13k.)

The relationship between the accounting officers' emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below both for basic salary and total remuneration:

	2025	2024
	No.	No.
Basic salary as a multiple of median basic salary of staff	5.53	4.62
Total remuneration as a multiple of median total remuneration of staff	5.99	5.20

The remuneration of the accounting officer for 2024-25 was determined on 18th November 2024 by the College's Remuneration Committee. The accounting officer was not involved in setting their remuneration. The factors taken into account by the Committee in determining the accounting officers' remuneration for the year to July 2025 included previous increases, CPI, pay increases for other staff, performance against personal objectives, performance of the organisation, sector pay of accounting officers and benchmarking or other means of comparison in the broader market. Performance was measured by the AOC Pay Skills analysis along with wider benchmarking data and progress against merger targets.

A similar approach was used to determine the remuneration of other key management personnel.

Governor' remuneration

The Accounting Officer and staff member only receive remuneration in respect of services they provide undertaking their roles of Principal and staff Members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the Group in respect of their roles as governors.

10. Other operating expenses – Group and College

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Teaching costs	6,395	6,172	5,492	5,143
Non-teaching costs	4,083	3,933	4,752	4,625
Premises costs	4,655	4,617	4,411	4,359
Total	15,133	14,722	14,655	14,128

Surplus before taxation is stated after charging:	2025 £'000	2024 £'000
Auditors' remuneration:		
Financial statements audit of college and group	75	70
Internal audit	16	15
Other services provided by the financial statements auditor	31	47
Hire of assets under operating leases	240	170
Loss on disposal of assets	0	25

11. Interest and other finance costs – Group and College

	2025 £'000	2024 £'000
Net interest and defined pension liability		
LGPS (note 23)	0	0
Pension finance costs	<u>5</u>	<u>0</u>
Total	<u>5</u>	<u>0</u>

12. Taxation

	2025 £'000	2024 £'000
Current tax charge	<u>0</u>	<u>0</u>
Movement in the Provision for deferred corporation tax in the accounts of the subsidiary company	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>

13. Tangible fixed assets

Group

	Land and buildings	Assets in the Course of Construction	Equipment	Total
	Freehold £'000	Freehold £'000	£'000	£'000
Cost or valuation				
At 1 August 2024	112,748	10,856	11,665	135,269
Additions	17,217	0	2,626	19,843
Transfers	10,856	(10,856)	0	0
At 31 July 2025	140,821	0	14,291	155,112
Depreciation				
At 1 August 2024	(20,359)	0	(6,745)	(27,104)
Charge for the year	(2,304)	0	(1,370)	(3,674)
Disposals	0	0	0	0
At 31 July 2025	(22,663)	0	(8,115)	(30,778)
Net book value at 31 July 2025	118,158	0	6,176	124,334
Net book value at 31 July 2024	92,389	10,856	4,920	108,165

College only

	Land and buildings	Assets in the Course of Construction	Equipment	Total
	Freehold £'000	Freehold £'000	£'000	£'000
Cost or valuation				
At 1 August 2024	112,412	10,856	11,654	134,922
Additions	17,217	0	2,626	19,843
Transfers	10,856	(10,856)	0	0
At 31 July 2025	140,485	0	14,280	154,765
Depreciation				
At 1 August 2024	(20,276)	0	(6,740)	(27,016)
Charge for the year	(2,297)	0	(1,368)	(3,665)
Disposals	0	0	0	0
At 31 July 2025	(22,573)	0	(8,108)	(30,681)
Net book value at 31 July 2025	117,912	0	6,172	124,084
Net book value at 31 July 2024	92,136	10,856	4,914	107,906

Tangible Fixed Assets have been stated at revalued amounts as a result of continuing use of the frozen valuation at conversion to FRS102. Accordingly, book values on implementation have been retained. £632k of land is held at valuation, the historical cost of this land is nil.

Investment property

	2025
	£'000
Net Book Value 01 August 2024 and 31 July 2025	1,600

The fair value of the Group investment property at 31 July 2025 has been calculated with reference to the market valuation provided by Colliers International Property Consultants Limited as at 31 July 2023. The Board has confirmed that this is an appropriate valuation at the year-end.

If the investment property was stated on a historical cost basis this would have been included at £1,676,000.

14. Fixed asset investments

	College 2025 £'000	College 2024 £'000
Investments in subsidiary companies	2,064	2,064
Total	2,064	2,064

The College owns 100% of the issued ordinary share capital of Axia Solutions Ltd of £2,064,464, a company incorporated in England and Wales, 100% of the issued ordinary share capital of Gradbach Ltd of £2, a company incorporated in England and Wales and is the sole member of the Stoke-on-Trent and Staffordshire Institute of Technology Limited, a company limited by guarantee. The principal business activity of Axia Solutions Ltd is that of a private training provider. The principal activity of Gradbach Ltd is managing the operation of Gradbach Mill estate as a commercial operation. The principal activity of the Stoke-on-Trent and Staffordshire Institute of Technology is anticipated to be the provision of educational facilities. For 2024-25 this Company was dormant.

15. Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Amounts falling due within one year:				
Trade receivables	525	520	498	498
Amounts owed by group undertakings:				
Subsidiary undertakings	0	154	0	33
Prepayments and accrued income	2,797	2,703	1,081	1,058
Amounts owed by the Education and Skills Funding Agency	442	442	480	429
HMRC	0	0	0	0
Total	3,764	3,819	2,059	2,018

16. Creditors: amounts falling due within one year

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Trade creditors	(1,746)	(1,710)	(1,929)	(1,896)
Other creditors	(834)	(791)	(828)	(800)
Other taxation and social security	(754)	(712)	(776)	(746)
Accrued expenditure and deferred income	(3,772)	(3,630)	(2,794)	(2,610)
Holiday Pay Accrual	(830)	(830)	(842)	(842)
Amounts owed to group undertakings:				
Subsidiary undertakings	0	0	0	(36)
Amounts owed to the Education and Skills Funding Agency	(662)	(662)	(662)	(662)
Deferred income - government capital grants	(2,230)	(2,230)	(1,938)	(1,938)
Total	(10,827)	(10,566)	(9,769)	(9,529)

17. Creditors: amounts falling due after one year

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Deferred income - government capital grants	(66,153)	(66,153)	(53,201)	(53,201)
Total	(66,153)	(66,153)	(53,201)	(53,201)

18. Provisions

Group

	Enhanced pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2024	(712)	(150)	(862)
Expenditure in the period	78	150	228
Additions in period	(40)	(10)	(50)
At 31 July 2025	(674)	(10)	(684)

College

	Enhanced pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2024	(712)	(150)	(862)
Expenditure in the period	78	150	228
Additions in period	(40)	(10)	(50)
At 31 July 2025	(674)	(10)	(684)

The Enhanced Pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the Balance Sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2025	2024
Price inflation	3.25%	3.25%
Discount rate	5.80%	5.00%

Other provisions relate to a provision for pitch maintenance under an agreement with Staffordshire County Council.

19. Consolidated analysis of changes in net funds

	2024	Cash flows	2025
	£'000	£'000	£'000
Cash and cash equivalents	20,241	(2,639)	17,602

20. Capital and other commitments

	Group and College	
	2025	2024
	£'000	£'000
Commitments contracted for at 31 July	970	5,079

21. Operating Lease obligations

	Group and College	
	2025	2024
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	108	108
Later than one year and not later than five years	432	432
Later than five years	0	108
	540	648

22. 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 Staffordshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire County Council. Both are multi-employer defined benefit plans.

Total pension cost for the year

	2025 £000	2024 £000
Teachers' Pension Scheme: contributions paid	3,892	3,031
Local Government Pension Scheme:		
Contributions paid	3,140	3,302
FRS 102 (28) charge	32	36
Charge to the Statement of Comprehensive Income	3,172	3,338
Enhanced pension charge to Statement of Comprehensive Income	84	124
Total Pension Cost for Year within staff costs	7,150	6,493

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

There were no outstanding or prepaid contributions at either the beginning or end of the financial year. Contributions amounting to £797k (2023-24 £800k) were payable to the schemes at 31 July 2025 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions, along with those made by the employers, and are credited to the Exchequer under arrangements governed by the Act.

The TPS is a multi-employer pension plan and there is insufficient information to account to account for scheme on as a defined benefit plan so it is accounted for as a defined contribution scheme.

The Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed date as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion.
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance))

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 01 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2021-22 academic year, and currently through to July 2024.

The pension cost paid to the TPS in the year amounted to £5,050k (2023-24 £4,068k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Staffordshire County Council. The total contributions made for the year ended 31 July 2025 were £3,900k, of which employer's contributions totalled £3,152k and employees' contributions totalled £748k. The agreed contribution rates for future years are 24% (2023-24 24%) plus an annual lump sum for employers and range from 5.50% to 12.50% for employees depending on salary.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an FE body in the statutory sector closure, where there is no transfer or merger, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education. The guarantee came into force on 12 November 2024.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of "Guaranteed Minimum Pension ("GMP") equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation "Indexation and Equalisation of GMP in Public Sector Pensions Schemes" and therefore the expected impact cannot be reliably estimated and consequently no provision/ liability has been recognised.

The Group is aware that the Court of Appeal has recently 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 06 April 1997 and 05 April 2016. The judgement 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 05 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 and it's not clear how this interacts with the investigations made by the UK Governments' Actuaries Department therefore the potential impact if any, on the valuation of the scheme liabilities remains unknown.

Under FRS 102, a pension scheme asset should only be recognised to the extent that the Organisation is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Given that this is unlikely, especially given the current market volatility, the pension fund actuarial gain in the year has not been recognised.

Principal Actuarial Assumptions

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.25%	3.25%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.75%	2.75%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by Hymans Robertson LLP.

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

	At 31 July 2025 years	At 31 July 2024 years
<i>Retiring today</i>		
Males	20.4	20.2
Females	24.1	24.1
<i>Retiring in 20 years</i>		
Males	21.6	21.3
Females	25.2	25.1

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

	Fair Value at 31 July 2025 £'000	Fair Value at 31 July 2024 £'000
Equity instruments	53,251	51,015
Debt instruments	25,316	21,522
Property	6,984	5,580
Cash	1,746	1,594
Total fair value of plan assets	87,297	79,711
 Actual return on plan assets	 5,425	 7,817

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

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	1,973	1,861
Past service cost	0	0
Total	1,973	1,861
 Amounts included in investment income		
Net interest income	1,037	695
	1,037	695
 Return on pension plan assets	1,389	4,243
Experience losses arising on defined benefit obligations	569	(1,849)
Experience losses arising on defined benefit obligations	0	0
Changes in demographic assumptions	(258)	119
Changes in assumptions underlying the present value of plan liabilities	9,112	2,481
Amount recognised in Other Comprehensive Income	10,812	4,994

Changes in the present value of defined benefit obligations

	2025	2024
	£'000	£'000
Defined benefit obligations at start of period	59,537	56,639
Current service cost	1,973	1,861
Interest cost	2,999	2,879
Contributions by Scheme participants	737	773
Experience gains and losses on defined benefit obligations	(569)	1,849
Changes in demographic assumptions	258	(119)
Changes in financial assumptions	(9,112)	(2,481)
Estimated benefits paid	(1,716)	(1,864)
Past Service cost	0	0
Defined benefit obligations at end of period	54,107	59,537

Changes in fair value of plan assets

	2025	2024
	£'000	£'000
Fair value of plan assets at start of period	79,711	69,683
Interest on plan assets	4,036	3,574
Return on plan assets excluding net interest on the net defined liability	1,389	4,243
Experience gains and losses	0	0
Employer contributions	3,140	3,302
Contributions by Scheme participants	737	773
Estimated benefits paid	(1,716)	(1,864)
Fair value of plan assets at end of period	87,297	79,711

These accounts show a past service cost of £288k in respect of the McCloud / Sergeant judgement which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision represents a small % of the total scheme asset as at 31 March 2019. The calculation of adjustment to past service costs arising from the outcome of the Court of Appeal judgement is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earnings assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgement, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long-term general pay growth and the CPI. If the long-term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pay increase would increase the estimated cost by 65%.

	2025 £'000	2024 £'000
Fair value of plan assets	87,297	79,711
Present value of plan liabilities	(54,104)	(59,534)
Present value of unfunded liabilities	(3)	(3)
Asset Ceiling Adjustment	(33,193)	(20,174)
Net pensions (liability)/asset	(3)	0

The financial statements report the share of the pension surplus /deficit on the College's balance sheet in line with the requirements of FRS 102. A detailed actuarial valuation using CPI as at 31 July 2025 has indicated a pension asset of £33,190k.

The values of the Group's share of the net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

23. Related party transactions

Transactions with Axia Solutions Ltd

During the year the College purchased goods of £37k (2023-24 £73.7k) from its subsidiary and sold goods and services of £39.8k (2023-24 £32.8k) to its subsidiary. There were amount £4.4k (2023-24 £2.7k) owed by the subsidiary at the reporting date.

Transactions with Gradbach Ltd

During the year the College purchased goods of £35.7k (2023-24 £27.2k) from its subsidiary and sold goods and services of £36k (2023-24 £35.4k) to its subsidiary. There were amount £6k (2023-24 £5.4k) owed by the subsidiary at the reporting date.

Transactions with key management personnel

There have been no related party transactions in the year 2024-25(none 2023-24).

24. Post Balance Sheet Events

From January 2025, NSCG commenced further discussions with the University of Derby regarding the viability of Leek College transferring out of the University's operations and in to the College Group. NSCG undertook a due diligence review in respect of the transfer which was supported by Knights plc. After receiving the Due Diligence report, the Board of both the University of Derby and NSCG agreed to the transfer of Leek College to NSCG. The transfer agreement was signed by the University and NSCG on the 30th June 2025 which outlined that Leek College would transfer to NSCG with effect from 1st August 2025. Identified assets of Leek College which include land, buildings and some contents transferred to NSCG from the beginning of the 2025-26 financial year. NSCG paid a consideration of £1.2m as a contribution to some of the contents being transferred.

25. Amounts disbursed as agent

Learner support funds

Education and Skills Funding Agency	2025 £'000	2024 £'000
Funding body grants - vulnerable students	56	123
Funding body grants - free school meals	217	176
Funding body grants - 16-18 hardship support	1,224	817
	<hr/> 1,498	<hr/> 1,117
Disbursed to students	(993)	(665)
Administration costs	(47)	(28)
	<hr/> (1,040)	<hr/> (693)
Amount underspent/(overspent) as at 31 July	<hr/> 457 <hr/>	<hr/> 424 <hr/>

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

Independent Auditor's Report on Regularity to the Corporation of Newcastle and Stafford Colleges 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 20 November 2025 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 Newcastle and Stafford Colleges Group during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

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 Governing Body of Newcastle and Stafford Colleges Group for regularity

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 Newcastle and Stafford Colleges Group (who are also the trustees for the purposes of charity law) are responsible for the proper conduct and financial operation of Newcastle and Stafford Colleges Group and appointment of the accounting officer.

Reporting accountant's responsibilities for report on regularity

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 2024 to 31 July 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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05 December 2025