

Newbury College

Newbury College
Annual Report and Financial Statements
Year ended 31 July 2025

UCN UNIVERSITY
CENTRE
NEWBURY

Newbury College

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Newbury College

Reference and Administrative Details

Corporation Board of Governors

Sally Osmond (Chair)
Christopher Wilson (Vice Chair)
Lee Probert (Principal & Chief Executive) (from 01/01/25)
Sue Richardson
Stuart Compton
Tim Major
Julian Cooper
Lesley Black
Deborah Ferguson
Trevor Gabriele
Neil McDougall
Russell Shackleton
Tom Pegler (from 31/03/25)

Iain Wolloff (Principal & Chief Executive) (to 31/12/24)
Peter Lambert (to 28/03/25)
Sam Dibas (to 28/03/25)
Gavin Brooks (Vice Chair) (to 21/07/25)
Javaid Iqbal (to 21/07/25)
Malcolm Baggott (to 21/07/25)
Khushi Ashwin (from 10/10/23 to 21/07/25)
Jadean Havenga (from 16/12/24 to 21/07/25)
Clerk: Heather Large (to 06/09/25)
Governance Professional: Jo Houghton (from 01/08/25)

Senior Leadership Team

Lee Probert	Principal & Chief Executive (from 01/01/25)
Lee Jamieson	Deputy Principal (from 06/05/25)
Cathy Wright	Executive Director – Corporate Services
Jo Houghton	Executive Director – Governance, Standards & Projects
Julian Tucker	Executive Director – Finance (from 02/06/25)
Iain Wolloff	Principal & Chief Executive (to 31/12/24)
Lee Hunt	Deputy Principal & Vice Principal – FE & Curriculum (to 16/05/25)
Jamie Morton	Director of Finance (to 06/06/25)
Nathan Hall	Director of Estates & Facilities (to 18/06/25)
Jatinder Matharu	Director of Safeguarding & Support

Principal and Registered Office

Monks Lane, Newbury, Berkshire, RG14 7TD

Professional Advisors

External Auditors	Alliotts LLP, 3 London Square, Cross Lanes, Guildford, Surrey, GU1 1UJ
Internal Auditors	MHA, 2 London Wall Place, London, EC2Y 5AU
Solicitors	Bevan Brittan, Kings Orchard, 1 Queen Street, Bristol BS2 0HQ
Bankers	Lloyds, 3-5 Bridge Street, Newbury, Berkshire, RG14 5BQ

Newbury College

Strategic report

OBJECTIVES AND STRATEGY

The Corporation Board of Governors present their annual report together with the financial statements and auditor's report for Newbury College for the year ended 31 July 2025.

Legal status

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

Purpose, Vision, & Values

Purpose - Why we are here?

We believe in: Creating opportunities to transform lives. The purpose of our College is to meet the education and skills needs of the economy, by providing learning opportunities which transform career and life chances. As a leading educational provider for our community, our core intent is to deliver '**careers not courses**'. This means that we will support learners to identify, plan and achieve their career goals, through the acquisition of the skills they need to succeed. Listening to the views of our learners, staff and stakeholders is at the heart of ensuring the development and quality of our provision.

Vision - Our strategic Goals

1. Outcomes - Achieve positive outcomes for learners
2. Wellbeing - Ensure learner wellbeing in an inclusive, safe, and respectful environment; to deliver a holistic learning experience
3. Skills - Meet the skills needs of our regional economy
4. Learning - Deliver excellent teaching and learning
5. Staff - Support staff to develop their skills and meet their objectives
6. Finance - Secure and sustain financial strength
7. Growth - Achieve sustainable growth in our core business areas
8. Community - Provide an educational hub for our community
9. Estates - Deliver high-quality estates and facilities provision to support learning
10. Sustainability - Reduce our adverse impact on the environment

Values - How we aim to behave

<i>Aspiration</i>	<ul style="list-style-type: none">• being ambitious for individuals and for the quality of provision• inspiring innovation and creativity
<i>Integrity</i>	<ul style="list-style-type: none">• acting with uncompromising integrity in everything we do• taking responsibility for own development
<i>Respect</i>	<ul style="list-style-type: none">• listening to all members of the College community• fostering a culture of respect for their rights, differences and liberties

Newbury College

Strategic report (continued)

The Newbury College Strategy

The strategy for Newbury College aims to provide clarity for all stakeholders (students, staff, governors, employers, parents and the community) about the purpose of the College and what we aim to achieve between 2024 to 2029.

The College has been a central hub of the local educational landscape for seventy-five years and we will continue to develop a learning campus, which meets the skills needs of the economy and of our community. We are committed to developing and maintaining partnerships with a wide range of organisations to achieve our vision and to fulfil our core purpose of ***Creating opportunities to transform lives.***

The goal of the five-year strategy is to focus on quality and sustainable growth, understanding that the quality of provision must reach or exceed national standards, whilst meeting the needs of local businesses and our community, and being delivered on a sound financial footing. The five-year period includes the ending of the campus PFI contract in July 2027, which will enable a balance to be found between income and expenditure, which is no longer adversely affected by the financial strain exerted by the PFI.

Resources

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

- The College employs 310 people, who comprise 208 FTE and 329 positions across the College.
- The College enrolled 1,076 learners aged 16-18, 373 apprentices and 2,197 adults.
- The College has £5.96 million of net assets including long-term debts of £5.19 million made up of debt in respect of the Private Finance Initiative (PFI) contract (funding for the main College building) and deferred capital grants. Tangible fixed assets have net book value of £11.96 million and there is a cash balance of £1.16m.
- The College has a 30-acre campus which comprises the Main College Learning Centre, Sports and Construction Centre and approximately 2 acres of undeveloped land.
- The sale of an area of land of c.8 acres to the east of the campus was completed in September 2023, for the development of a mixed-use facility to be known as Mayfield Point, as part of the strategic plan to ensure the College's financial health. The first capital payment was received in September 2023 part of the second was received in February 2025 and the remaining payments are scheduled to be received in three tranches over the next two to three years.
- Over the Summer of 2020, a large area of the College was refurbished and benefited from a major investment in technology, creating the University Centre Newbury (UCN). This was funded by the Thames Valley Local enterprise partnership (LEP).
- In September 2021 the Renewables Centre was launched, with c.£500K investment from the Local Enterprise Partnership (LEP), providing technical training in low carbon energy installations.
- The College has a positive reputation locally and nationally. Maintaining a quality brand is essential for the College success in attracting students and maintaining external relationships. The Ofsted inspection result in August 2023 recognised both good and outstanding provision, and some specific areas which the College is working to improve.

Newbury College

Strategic report (continued)

Stakeholders

The College has many stakeholders including:

- its current, future and past students;
- its staff and the trades unions of which they are members;
- the employers it works with;
- funding bodies, government departments and professional bodies;
- its partner schools, colleges and universities;
- the wider FE college community and surrounding schools;
- its local authority

Public Benefit

Newbury College is an exempt charity under the Part 3 of the Charities Act 2011 and, following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Corporation Board, who are trustees of the charity, are outlined on page 14.

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

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

- High-quality teaching and learning
- Widening participation and tackling social exclusion
- Providing excellent employment prospects for students
- Strong student support systems
- Meeting skills needs of employers, industry and commerce.
- Partnership work with Local Authorities & Local Enterprise Partnerships (LEPs)

The delivery of public benefit is covered throughout the Report.

DEVELOPMENT AND PERFORMANCE

Student Performance

The College has rapidly improved curriculum and quality, and the impact is evident in robust improvements in achievement data. The College is reporting a significant and sustained jump in overall achievement rates over the past three-year trend. The overall achievement rate for Education and Training is now 84.6%, with achievement for 16-18-year-olds at 81.7% and adult achievement at 86.4%. Apprenticeship achievement stands at 67.2%, well above the national average of 60.9%. Achievement at Levels 2, 3, and 4 is now above national benchmarks.

The College has achieved this through its comprehensive and inclusive curriculum backed by good employer partnerships. The curriculum is designed well to serve our diverse learner community, ensuring all students are equipped with the essential knowledge and skills for prosperous careers. The curriculum is also well-aligned to the current and future skills needs of local employers and stakeholders, and we have collaborated with industry partners to ensure our provision directly addresses the priorities and needs identified within the Local Skills Improvement Plan (LSIP). For example, the College has developed bespoke training programmes in areas like robotics and artificial intelligence.

Newbury College

Strategic report (continued)

Robust support for SEND and high needs learners, good careers guidance, and an improved personal development curriculum is core to the college's success.

Financial Results

The College generated a deficit before other gains and losses of £1,646k (2023/24 a deficit of £1,519k). The deficit after interest and depreciation but before profit on disposal of assets of £1,646k includes an FRS102 gain of £187k. Without the FRS102 pension adjustment, the deficit is £1,833k (2023/24: deficit of £1,739k).

The College generated a deficit before tax and pension gains and losses of £1,646k (2023/24 a surplus of £1,322k).

In September 2002 the College building was opened under a PFI contract and the resulting unitary charge commenced. In accordance with Financial Reporting Standards the assets are shown in the balance sheet and depreciated.

After accounting for pension liabilities (FRS102) the College has positive accumulated reserves of £5,957k, a revaluation reserve balance of £57k and I&E reserve of £5,900k.

During the year, the College drew down an Advance of Funding of £1.5m from the Department of Education, in order to help with its cashflow management. This cashflow gap was due to be plugged by the receipt of land disposal proceeds. Unfortunately, due to logistical and contractual difficulties, these proceeds did not arrive as planned, and this Advance of funding remained unreturned at the year end. As a result of these cashflow difficulties, the College was placed under Financial Intervention by the Department of Education on the 25th June 2025. Following the year-end, the College entered into a FE Commissioner led Structure and Prospects Appraisals process to review, consider and ensure that its provision is resilient to change, is meeting the needs of learners and is viable in the long-term.

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25 the FE and HE funding bodies provided 87% of the College's total income.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash-flows, banking arrangements and the risks associated with those activities. All borrowing requires the authorisation of the DfE.

Cash flows and liquidity

Net cash flow from operating activities was an inflow of £658,000 (2023/24 £2,303,000 outflow) aided by the £1.5m Advance of Funding referenced above.

Reserves

The College's Reserves Policy focusses on ensuring that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve stands in credit at positive £5,900,000 (2023/24: positive reserves of £5,835,000). It is the Corporation's intention to continue to improve the reserves position over the life of the strategic plan by limiting operational losses during the duration of the PFI contract and liquidising assets where appropriate.

Newbury College

Strategic report (continued)

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days. During the accounting period 1 August 2024 to 31 July 2025, the College paid 85 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

KEY PERFORMANCE INDICATORS

The College has set a full range of quality and financial Key Performance Indicators (KPIs), encompassing short-term and long-term targets. This full suite of KPIs is monitored by Management and Governors. An outline of these KPIs, targets and results are set out below.

Key performance indicator	Measure/Target	Actual for 2024/5
Student number target (16-18)	1,100	1,096
Student number target (Apprentices)	362	387
Student achievement (16-18)	82.9	81.8
Student achievement (Apprentices)	60.5	67.2
Operating surplus/EBITDA as % of income	-7.4%	-10.2%
Pay costs as a percentage of income	<65%	71.6%
Ofsted rating	Requires Improvement	

FUTURE PROSPECTS

Curriculum Developments

Moving forward, the College aims to position itself strategically to address the below-expected market share at Level 3. There is a clear ambition to enhance the articulation of the value of vocational and technical education while working more strategically with local schools. Given the academic focus of post-16 school programmes, the College plays a pivotal role in offering diverse opportunities for all school leavers, regardless of their prior achievements.

In the Defence Sector, Newbury College's expertise in engineering, coupled with its unique position in a region recognised as a key hub for the UK defence sector, positions the College at the forefront of national skills development in this area. The UK Defence Industrial Strategy (DIS) outlines an ambitious vision to make the country a global leader in defence innovation and manufacturing by 2035, emphasising skills, technical excellence, and local partnerships. Newbury is already home to a cluster of employers serving the defence sector, and the College collaborates closely with these organisations to ensure its engineering and technical programmes align with the evolving needs of the industry.

Financial Plan

The College governors approved a new financial plan in July 2025 which sets objectives for the periods to July 2024 and July 2025. This shows the College achieving small EBITDA surpluses for both years (2025/26: £221k, 2026/27: £283k) but still delivering overall operating deficits. The College is determined to increase curriculum contributions further as well as examining staff utilisation across all areas, in an effort to better these outcomes.

Newbury College

Strategic report (continued)

However, beyond these periods, in July 2027, the College will exit its 25-year long PFI arrangement and amongst other things, this will mean a) it is no longer paying off a capital contribution towards its buildings, and b) it will give the College considerably more flexibility in running its estate - and therefore the scale of the associated costs.

Estate Developments

The College estate was originally a 38-acre site. Since 2002, several parcels of land have been disposed of on long leaseholds and other parcels have been sold for development.

The College is due capital receipts relating to the most recent land sales. However, these receipts are subject to a number of contractual factors, not least planning and development consents. Whilst the development partners remain optimistic about the likely timing of these receipts, the College's prudent estimate is that these could be received over the next 3 to 5 years.

The College site is currently not fully utilised, so no further building works are proposed between 2026 and 2031. There are also no plans during this period for future land sales - the College needs to retain flexibility to ensure that it can meet the needs of future curriculum provision.

The main College building was constructed under a Private Finance Initiative (PFI) agreement in 2002 and which expires in July 2027. At expiry, the building moves under the ownership of the College. The construct of the PFI contract provides for a high level of quality maintenance of the estate. However, it does not provide for significant enhancement. Post-PFI there is an opportunity to enhance the investment in the estate to improve the College's contribution to the green agenda and increase sustainability. As part of the preparations for the PFI expiry, the College is evaluating future delivery models for estate and facility management.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

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

A risk register is maintained at the College level which is reviewed regularly by the Audit Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system

The main potential risk factors affecting the College are outlined below. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College. Each of these key risks is controlled through an existing series of mitigating actions and a plan of further actions to further reduce risk.

- Financial
 - The College fails to generate the level of income required to achieve the necessary cash position
 - The College fails to control expenditure in line with the plan to achieve the necessary cash position

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Strategic report (continued)

- The College is subject to a significant fraud resulting in financial loss
- Quality
 - The College fails to meet standards of quality expected by its stakeholders and regulatory bodies (e.g. DfE, Ofsted, OFS) resulting in damage to reputation and a decline in student numbers
- Safeguarding
 - An individual or group of individuals come to harm due to inadequate safeguarding/safety procedures, policies or the lack of understanding and adherence to them
- Compliance
 - Failure to comply with Government, Regulatory Body, legislation and internal policies and procedures leads to a detrimental impact on the assets of the College
- Staff
 - Failure to attract and retain high calibre staff
- Leadership
 - The College fails to meet the Strategy as a result of the dilution of resources over multiple competing projects

OTHER INFORMATION

Equity, Diversity and Inclusivity

Newbury College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and positively values differences in race, gender, sexual orientation, disability, religion or belief and age. The College strives vigorously to remove conditions which place people at a disadvantage and will actively combat bigotry.

It is the obligation of all staff and students to respect and act in accordance with the College's Equity, Diversity & Inclusion Policy and to actively promote it throughout their time with Newbury College. The College's Equity, Diversity and Inclusion Policy is also published on the College's website

The College's commitment to student success means that it strives to support every student in achieving their full potential. To accomplish this, it will:

- Utilise contextual data to enhance the support for individual students and specific groups.
- Monitor achievement data by ethnicity, gender, and disability to address any disparities.
- Factor in the achievement of all students when planning future learning and setting ambitious targets.
- Use materials that reflect the diversity of the College, the local community, and the global population, avoiding stereotypes.
- Educate on diversity, the impact of stereotyping, and the effects of prejudice and discrimination through tutorials and organised College events.
- Promote attitudes and values that challenge prejudice, including racism and other forms of discrimination through the work around the College's Values and British Values.
- Create opportunities for students to appreciate their own cultures and celebrate the diversity of others.
- Highlight the contributions of different cultures to world history and promote positive representations of diverse communities.
- Engage stakeholders to support and advance the College's commitment to EDI.
- Ensure that teaching practices and approaches are inclusive, age-appropriate, and reflective of the entire College community.

Newbury College

Strategic report (continued)

Disability Statement

The College is committed to promoting equal access and equal opportunity for students, staff and members of the public with disabilities and /or learning difficulties using College facilities. The College aims to achieve this by:

- Removing barriers and changing attitudes that prevent disabled people from getting access to education, employment and services provided by the College and its partners.
- Promoting Disability Equality at all levels within the College.
- Working together with disabled people, organisations of disabled people and disability access groups to achieve equality of opportunity.
- Involving disabled people, including disabled staff and students, on employment matters and the services we provide.
- Training the College's workforce, so that they are aware of and have the skills to take positive action in removing barriers placed in the way of disabled people by society.
- Creating a culture where harassment and discrimination against disabled people is unacceptable and will be stopped, should it occur.
- Creating a culture where both learners and staff feel able to declare their disability so that accurate information is available to help the College look at such things, reasonable adjustments, priority areas and targets for improvement.
- Acting as an example of good practice to other organisations.

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post.

Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

Trade union facility time

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

Numbers of employees who were representatives in the period	FTE employee number
3	3.0

Percentage of time	Number of employees
0%	1
1-50%	2
51-99%	0
100%	0

Total cost of facility time	£3.2k
Total pay bill	£8.4m
Percentage of total bill spent on facility time	0.04%
Time spent on paid trade union activities as a percentage of total paid facility time	0.03%

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Strategic report (continued)

Going concern

As is evident from these accounts, the financial position of the College is weak. The College did not receive emergency funding during 2024/25, but it was provided with £1.5m of Advance of funding by the DfE to ease liquidity concerns during the year, and this remained owing at the year end.

The College entered into an formal Emergency Funding agreement with the DfE on the XX December 2025. This provides for up to £1.5m of support to be drawn, but in essence this will allow for the outstanding Advance of Funding to be repaid.

The College is working with the DfE and FE Commissioner in order to deliver a long-term solution to the College's challenges. This options appraisal work is to be concluded in May 2026 and this will provide a clear direction for the College.

But ahead of this decision, the College has prepared forecasts to July 2027 which shows that, with the Emergency Funding support agreed with the DfE and the receipt of the delayed land sale proceeds, the College will hold sufficient funds to operate and pay its liabilities as they fall due until July 2027. Given this, the member of the Corporation have concluded that the College is a going concern, and that these accounts should be prepared on a going concern basis.

Events after the Reporting Period

As mentioned above, the College has requested and received £1.5m of emergency Funding from the DfE in order to repay its Advance of Funding liability. These monies were drawn down on XX December 2025.

As also mentioned above, the College has formally entered a FE Commissioner led Structures and Prospects Appraisal (SPA) process which is due to conclude in Spring 2026.

Disclosure of Information to Auditors

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

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



Sally Osmond
Chair of Corporation Board

Newbury College

Statement of Corporate Governance and Internal Control

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

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”)

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the code reported to the Board on 15th 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 (or other) issued by the Association of Colleges in 2023, which it formally adopted on 16th December 2024.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below. There were 21 Board Members on the Corporation Board during the 2024/25 year, with eight resignations. Currently, there are three vacancies.

Member	Status	Date of first joining the Board	Date Reappointed	Current Term of Office	Date Left	Members of Audit Committ	Attendance Percentage (Corporatio
Iain Wolloff	Principal	01/02/18			31/12/24		100
Lee Probert	Principal	16/12/24					100
Sally Osmond	External	26/03/18	25/03/22	4 Years			100
Javaid Iqbal	External	12/10/20	22/07/24	4 Years	21/07/25	Audit	100
Peter Lambert	External	29/03/21		4 Years	28/03/25		66
Sam Dibas	External	29/03/21		4 Years	28/03/25		33
Stuart Compton	External	11/07/22		4 Years		Audit	75
Tim Major	External	05/09/22		4 Years		Audit	100
Julian Cooper	External	17/10/22		4 Years			50
Gavin Brooks	External	12/12/22		4 Years	21/07/25		75
Christopher Wilson	External	17/07/23		4 Years		Audit	100
Lesley Black	External	11/12/23		4 Years			75
Deborah Ferguson	External	11/12/23		4 Years			100
Russell Shackleton	External	11/12/23		4 Years		Audit	100
Trevor Gabriele	External	25/03/24		4 Years			50
Neil McDougall	External	25/03/24		4 Years			100
Tom Pegler	External	31/03/25		4 Years			50
Malcolm Baggott	Staff (Teaching)	08/07/24		4 Years	21/07/25		75
Sue Richardson	Staff (Support)	13/07/20	08/07/24	4 Years			100
Khushi Ashwin	Student (Adult &HE)	10/10/23		2 Years	21/07/25		100
Jadean Havenga	Student (16-18)	16/12/24			21/07/25		66
Vacancy	Staff (Teaching)						
Vacancy	Student (Adult &HE)						
Vacancy	Student (16-18)						

Clerk: Heather Large

Newbury College

Statement of Corporate Governance & Internal Control (Cont'd)

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 each term. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website [www.newbury-college.ac.uk] or at Newbury College, Monks Lane, Newbury, Berkshire, RG14 7TD.

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

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Governance Professional, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Governance Professional 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 may be provided on an ad hoc basis.

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years.

Corporation Performance

Governors undertake various activities relating to their development. These include an induction and support program for governors new to the college as well as linking new governors to more experienced members to act as mentors. New governors are taken through an induction program which is managed by the Governance Professional. At full Board meetings training sessions are often included to ensure members are kept up to date with changes in legislation or educational focus.

All members are enrolled onto the College Skillgate system which allocates required training to them and provides a reporting mechanism to ensure compliance, additional courses can also be selected and delivered through the Skillgate platform. The Chair, Governance Professional and Principal have regular engagement with the National Leaders of Governance (NLG) and National Leaders of Further Education (NLFE) and undertake training through those organisations, other Governors are also made aware of specific training programs which might be applicable to their specific areas of focus. Members engage in training sessions offered by the Association of Colleges (AOC).

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Statement of Corporate Governance & Internal Control (Cont'd)

The Chair is a regular participant in National and Regional governance networks enabled through the AOC.

The Corporation carried out a self-assessment of its own performance for the year ended 31st July 2025 and graded itself as “Good” on the Ofsted scale.

Audit Committee

The Audit Committee comprises five members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College’s internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College’s business.

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

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

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

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

Committee Member	Meetings Attended
Mr R Shackleton (Chair)	4
Mr S Compton	4
Mr J Iqbal	4
Mr T Major	4
Mr C Wilson	4

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

Newbury College

Statement of Corporate Governance & Internal Control (Cont'd)

policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to the Principal in the Funding Agreement between Newbury College and the funding bodies. The Principal is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to 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 Newbury College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31st 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 College has an internal audit service, which operates in accordance with the requirements of the DfE's College Finance Handbook. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College, includes an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

Risks to the College identified by the internal audit service are entered into a risk register where potential impacts and probability are assessed using a numerical formula. Actions taken to mitigate

Newbury College

Statement of Corporate Governance & Internal Control (Cont'd)

the risk are then logged and the risk score is re-assessed. An action plan is put in place to reduce risk to an aspirational score. The risk register is regularly reviewed by the Audit Committee.

Control weaknesses identified

No significant internal control weaknesses or failures were identified.

Responsibilities under accountability agreements

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

Statement from the audit committee

The Audit Committee has advised the board of governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place. The specific areas of work undertaken by the Audit Committee in 2024/5 and up to the date of the approval of the financial statements are:

- Learner Numbers and Funding Systems (Adequate assurance)
- GDPR Controls Framework (Adequate assurance)
- Payroll (Substantial assurance)

Review of effectiveness

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

- the work of the internal auditors.
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors and the reporting accountant for regularity assurance in their management letters and other reports.
- The regularity self-assessment questionnaire

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Newbury College

Statement of Corporate Governance & Internal Control (Cont'd)

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

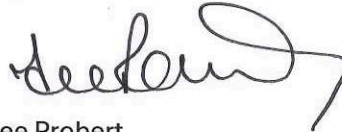
Approved by order of the members of the Corporation on 15th December 2025 and signed on its behalf by:

Signed:



Sally Osmond
Chair of Corporation Board

Signed:



Lee Probert
Accounting Officer

Newbury College

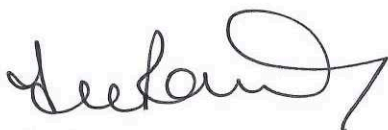
Statement of Regularity, Propriety and Compliance.

As accounting officer of the corporation of Newbury College, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE, and the requirements of the College Financial Handbook.

I have also considered my responsibility to notify the corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding. I confirm that I, and the board of governors, are able to identify any material irregular or improper use of all funds by the corporation, or material non-compliance with the framework of authorities.

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

Signed:

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

Lee Probert
Accounting Officer
15th December 2025

Newbury College

Statement of Responsibilities of Members of the Corporation

The members of the Corporation are required to present audited financial statements for each financial year. Within the terms and conditions of the College's accountability agreement, funding agreements and contracts with DfE and OfS, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year.

The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the Corporation is required to:

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

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

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the College Financial Handbook.

Newbury College

Statement of Responsibilities of Members of the Corporation

On behalf of the Corporation, the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

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

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

Signed:



Sally Osmond
Chair of Corporation Board

Newbury College

Independent Auditor's Report to the Corporation of Newbury College

We have audited the financial statements of Newbury College (the 'College') for the year ended 31 July 2025 which comprise the college statement of comprehensive income, and college balance sheet, the college statement of changes in reserves, the college statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of the College's deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the Accounts Direction issued by the Department of 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 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.

Emphasis of Matter

We draw attention to note 1 (going concern) of the financial statements, which explains that the College continues to face financial challenges and a weak financial position. Consequently, the £1.5m funding advance utilised during 2025 is expected to be effectively converted into a formal DfE emergency loan in December 2025 providing surety over current cash facilities.

The College's cash flows are further dependent on the proceeds from the sale of land which if delayed would be sufficiently covered by the DfE emergency funding noted above.

In addition, we draw attention to note 21 which indicates that the College has entered into a Structures and Projects Appraisal (SPA) process with the FE Commissioner to work toward a long-term solution to the College's financial situation, for which one of the options could be a merger with another college.

Our opinion is not modified in respect of these matters.

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability

Newbury College

Independent Auditor's Report to the Corporation of Newbury College

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

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

Responsibilities of the Corporation of Newbury College

As explained more fully in the Statement of the Corporation Responsibilities set out on pages 20 to 21, 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

Newbury College

Independent Auditor's Report to the Corporation of Newbury College

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 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 College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the college through discussions with governors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the college, including Keeping Children Safe in Education, Ofsted, DfE and OfS regulatory requirements, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the college's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Newbury College

Independent Auditor's Report to the Corporation of Newbury College

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 9th October 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.

Alliotts LLP

Alliotts LLP (Dec 16, 2025, 2:51pm)

Alliotts LLP

Chartered Accountants

3 London Square

Cross Lanes

Guildford

Surrey

GU1 1UJ

16th December 2025

Newbury College

Independent Reporting Accountant's Report on Regularity to the Corporation of Newbury College and The Secretary Of State For Education

In accordance with the terms of our engagement letter dated 9th October 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Newbury College 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.

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the DfE and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the DfE or devolved authority has other assurance arrangements in place.

Respective responsibilities of Newbury College and the reporting accountant

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

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

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Newbury College

Independent Reporting Accountant's Report on Regularity to the Corporation of Newbury College and The Secretary Of State For Education

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we perform additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the framework.

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.

Conclusion

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

Use of our report

This report is made solely to the corporation of Newbury College and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Newbury College and the Secretary of State those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of Newbury College and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

Alliotts LLP

Alliotts LLP (Dec 16, 2025, 2:51pm)

Alliotts LLP

Chartered Accountants

3 London Square

Cross Lanes

Guildford

Surrey

GU1 1UJ

16th December 2025

Newbury College

Financial Statements

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July	
		2025	2024
		£'000	£'000
INCOME			
Funding body grants	2	13,129	11,305
Tuition fees and education contracts	3	1,257	1,145
Other income	4	628	797
Endowment and investment income	5	-	-
Total income		15,014	12,977
EXPENDITURE			
Staff costs	6	9,538	8,145
Restructuring costs	6	37	6
Other operating expenses	7	6,266	5,525
Depreciation	11	733	699
Interest and other finance costs	8	86	121
Total expenditure		16,660	14,496
Deficit before other gains and losses		(1,646)	(1,519)
Profit on disposal of assets		-	2,841
Write off assets under construction		-	-
(Deficit)/Surplus before tax		(1,646)	1,322
Taxation	9	-	-
(Deficit)/Surplus for the year		(1,646)	1,322
Actuarial gain/(loss) in respect of pensions schemes	20	1,654	(213)
Total Comprehensive Income for the year		8	1,109
Represented by:			
Unrestricted comprehensive income		8	1,109
Restricted comprehensive income		-	-
		8	1,109

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

Newbury College

Financial Statements

Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2023	4,669	171	4,840
Surplus from the income and expenditure account	1,322	-	1,322
Other comprehensive income	(213)	-	(213)
Transfers between revaluation and income and expenditure reserves	57	(57)	-
Total comprehensive income for the year	1,166	(57)	1,109
Balance at 31 July 2024	5,835	114	5,949
Deficit from the income and expenditure account	(1,646)	-	(1,646)
Other comprehensive income	1,654	-	1,654
Transfers between revaluation and income and expenditure reserves	57	(57)	-
Total comprehensive income for the year	65	(57)	8
Balance at 31 July 2025	5,900	57	5,957

Newbury College

Financial Statements

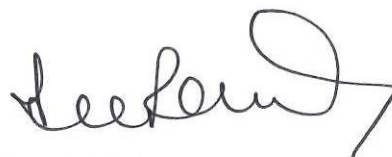
Balance sheet as at 31 July 2025

	Notes	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets	11	11,962	12,438
		<u>11,962</u>	<u>12,438</u>
Current assets			
Stocks		-	3
Trade and other receivables	12	1,920	2,507
Cash and cash equivalents	17	1,161	1,155
		<u>3,081</u>	<u>3,665</u>
Less: Creditors – amounts falling due within one year	13	(3,895)	(2,904)
Net current assets		<u>(814)</u>	<u>761</u>
Total assets less current liabilities		11,148	13,199
Less: Creditors – amounts falling due after more than one year	14	(5,191)	(5,409)
Provisions			
Defined benefit obligations	16	-	(1,841)
Total net assets		<u><u>5,957</u></u>	<u><u>5,949</u></u>
Unrestricted reserves			
Income and expenditure account		5,900	5,835
Revaluation reserve		57	114
Total unrestricted reserves		<u><u>5,957</u></u>	<u><u>5,949</u></u>

The financial statements were approved and authorised for issue by the Corporation on 15th December 2025 and signed on its behalf by:



Sally Osmond
Chair of Corporation Board



Lee Probert
Accounting Officer

Newbury College

Financial Statements

Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Surplus/(Deficit) for the year		(1,646)	1,322
Adjustment for non-cash items			
Depreciation		734	699
(Increase)/decrease in debtors		590	(1,694)
Increase/(decrease) in creditors due within one year		1,073	665
Increase/(decrease) in creditors due after one year		85	(272)
Pensions costs less contributions payable		(264)	(303)
Adjustment for investing or financing activities			
Investment income		-	-
Interest payable		86	121
Profit on sale of fixed assets		-	(2,841)
Net cash flow from operating activities		658	(2,303)
Cash flows from investing activities			
Investment income		-	-
Payments made to acquire fixed assets		(257)	(449)
Disposal of Fixed Assets		-	38
Proceeds on sale of fixed assets		-	2,841
Net cash flows from investing activities		(257)	2,430
Cash flows from financing activities			
Interest element of finance lease rental payments		(9)	(38)
Capital element of finance lease rental payments		(386)	(423)
Net cash flows from financing activities		(395)	(461)
(Decrease)/Increase in cash and cash equivalents		6	(334)
Cash and cash equivalents at the beginning of the year	17	1,555	1,489
Cash and cash equivalents at the end of the year	17	1,161	1,155

Newbury College

Financial Statements - Notes to the Accounts

1. Statement of Accounting Policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024-5 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

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

Going concern

The College's financial statements have been prepared on a going concern basis, which assumes that the College will be able to realise its assets and discharge its liabilities in the normal course of business. However, as is evident from these accounts, the financial position of the College is weak. The College did not receive emergency funding during 2024/25, but it was provided with £1.5m of Advance of funding by the DfE to ease liquidity concerns during the year, and this remained owing at the year end.

The College entered into a formal Emergency Funding agreement with the DfE on the 12th December 2025. This provides for up to £1.5m of support to be drawn, but in essence this will allow for the outstanding Advance of Funding to be repaid.

The College is working with the DfE and FE Commissioner in order to deliver a long-term solution to the College's challenges. This options appraisal work is to be concluded in May 2026 and this will provide a clear direction for the College.

Ahead of this decision, the College has prepared forecasts to July 2027 which shows that, with the Emergency Funding support agreed with the DfE and the receipt of the delayed land sale proceeds, the College will hold sufficient funds to operate and pay its liabilities as they fall due until July 2027. Given this, the members of the Corporation have concluded that the College is a going concern, and that these accounts should be prepared on a going concern basis.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are

Newbury College

Financial Statements - Notes to the Accounts

1. Statement of Accounting Policies continued

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

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

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

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

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

Capital grant funding

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

Fee income

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

Investment income

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

Agency arrangements

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

Newbury College

Financial Statements - Notes to the Accounts

1. Statement of Accounting Policies continued

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

West Berkshire Local Government Pension Scheme (LGPS)

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

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

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

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Newbury College

Financial Statements - Notes to the Accounts

1. Statement of Accounting Policies continued

Land and buildings

The main College building including the furniture and equipment originally included was financed by a PFI arrangement. For the assets held within the PFI arrangement:

- Freehold buildings are depreciated on a straight-line basis over their expected useful life of 50 years. Freehold land is not depreciated as it is considered to have an infinite useful life.
- Furniture & Equipment is depreciated over 8 years or 10 years dependent on the expected useful life.
- A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1000 is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- | | |
|------------------------------------|----------|
| • computer equipment | 5 years |
| • motor vehicles | 5 years |
| • furniture, fixtures and fittings | 10 years |
| • general equipment | 8 years |

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as 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.

Newbury College

Financial Statements - Notes to the Accounts

1. Statement of Accounting Policies continued

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

Financial liabilities and equity

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

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

Cash and cash equivalents

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

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

Taxation

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

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

Provisions and contingent liabilities

Provisions are recognised when

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

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

Newbury College

Financial Statements - Notes to the Accounts

1. Statement of Accounting Policies continued

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*
Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- *Local Government Pension Scheme*
The present value of the Local Government Pension Scheme defined benefit liability 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 19, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Newbury College

Financial Statements - Notes to the Accounts

	Year ended 31 July	
	2025	2024
	£'000	£'000
2 Funding council grants		
Recurrent grants		
Department for Education - Adult	1,588	1,241
Department for Education - 16 -18	9,144	7,906
Department for Education - Apprenticeships	1,724	1,284
Higher education funding council (OfS)	246	190
Specific Grants		
Releases of government capital grants	427	414
Total	13,129	11,035
	2025	2024
	£'000	£'000
3 Tuition fees and education contracts		
Adult education fees	872	835
Apprenticeship fees and contracts	15	17
Fees for FE loan supported courses	113	53
Fees for HE loan supported courses	253	174
Total tuition fees	1,253	1,079
Education contracts	4	66
Total	1,257	1,145
	2025	2024
	£'000	£'000
3b Total grant and fee Income		
Grant income from the OfS	246	190
Grant income from other bodies	12,883	10,845
Total grants	13,129	11,035
Fee income for taught awards (exclusive of VAT)	1,041	888
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	216	257
Total tuition fees and education contracts	1,257	1,145
Total	14,386	12,180
	2025	2024
	£'000	£'000
4 Other income		
Other income generating activities	367	410
Other grant income	190	301
Miscellaneous income	71	86
Total	628	797

Newbury College

Financial Statements - Notes to the Accounts

	2025 £'000	2024 £'000
5 Investment income		
Bank interest receivable	-	-
	-	-
	<u> </u>	<u> </u>

6 Staff costs

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

	2025 No.	2024 No.
Teaching staff	239	205
Non-teaching staff	83	79
	<u>322</u>	<u>284</u>

Staff costs for the above persons

	2025 £,000	2024 £'000
Wages and salaries	7,014	6,197
Social security costs	707	537
Other pension costs	1,544	1,187
Payroll sub total	<u>9,265</u>	<u>7,921</u>
Contracted out staffing services	273	224
	<u>9,538</u>	<u>8,145</u>
Fundamental restructuring costs		
contractual	37	6
non-contractual	-	-
	<u>9,575</u>	<u>8,151</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team comprising of the Principal, Deputy Principal, Executive Director Finance, Executive Director Corporate Services and the Executive Director Governance, standards and Projects. The senior post holders within the remit of the Remuneration Committee are the Principal, the Deputy Principal and the three Executive Directors.

Newbury College

Financial Statements - Notes to the Accounts

6 Staff Costs continued

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

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was:	10	9

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

	Key Management Personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£15,001 to £20,000	1	2	-	-
£20,001 to £25,000	1	-	-	-
£35,001 to £40,000	-	2	-	-
£45,001 to £50,000	2	1	-	-
£50,001 to £55,000	1	-	-	-
£60,001 to £65,000	1	-	-	-
£65,001 to £70,000	1	-	-	-
£70,001 to £75,000	2	2	-	-
£75,001 to £80,000	-	1	-	-
£105,001 to £110,000	-	1	-	-
£115,001 to £120,000	1	-	-	-
	<u>10</u>	<u>9</u>	<u>-</u>	<u>-</u>

Including part time workers grossed up to full time equivalent (FTE) and staff on maternity, paternity or sickness leave at their usual rate of pay. When grossed up to FTE the table is as below:

	Key Management Personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£55,001 to £60,000	-	1	-	-
£60,001 to £65,000	1	-	-	-
£65,001 to £70,000	1	1	-	-
£70,001 to £75,000	3	2	-	-
£75,001 to £80,000	-	2	-	-
£80,001 to £85,000	2	1	-	-
£90,001 to £95,000	-	1	-	-
£105,001 to £110,000	2	1	-	-
£145,001 to £150,000	1	-	-	-
	<u>10</u>	<u>9</u>	<u>-</u>	<u>-</u>

Newbury College

Financial Statements - Notes to the Accounts

6 Staff costs continued

	2025	2024
	£'000	£'000
Key management personnel compensation is made up as follows:		
Salaries - gross of salary sacrifice and waived emoluments	607	489
Benefits in kind	-	-
	<u>607</u>	<u>489</u>
Pension contributions	110	83
Total emoluments	<u>717</u>	<u>572</u>

The above compensation includes amounts payable to the Accounting Officers during the year of:

	2025	2024
	£'000	£'000
Salaries	50	108
Benefits in kind	-	-
Pension contributions	14	27
	<u>64</u>	<u>127</u>
Salaries	117	-
Benefits in kind	-	-
Pension contributions	-	-
	<u>117</u>	<u>-</u>

Severance Payments for all staff

The College paid 10 severance payments in the year, disclosed in the following bands

£0 to £25,000	10
£25,001 to £50,000	-
£50,001 to £100,000	-
£100,001 to £150,000	-
£150,000 +	-

Included in the staff restructuring costs are special severance payments totalling £0.

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

The governing body adopted the AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles. The remuneration packages of the Senior Post Holders are subject to annual review by the Remuneration Committee of the governing body taking into consideration the personal performance of the individual Senior Post Holder; the financial position of the College; external benchmarking information; and pay awards made to other staff members

Newbury College

Financial Statements - Notes to the Accounts

Senior Post Holders may not receive income from external activities unless approved by the Remuneration Committee in advance of the activity.

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

	2025	2024
Principal and CEO's basic salary as a multiple of the median of all staff	5.3	4.0
Principal and CEO's total remuneration as a multiple of the median of all staff	5.3	4.0

7 Other operating expenses	Year ended 31 July	
	2025	2024
	£'000	£'000
Teaching costs	2,188	1,646
Non-teaching costs	1,299	1,152
Premises costs	2,779	2,727
Total	6,266	5,525

Other operating expenses include:	2025	2024
	£'000	£'000
Subcontractor costs	-	27
Auditor's remuneration:		
-Financial statements audit	32	30
-Other services	2	2
Internal audit	15	22
Hire of assets under operating leases	60	48

8 Interest payable	2025	2024
	£'000	£'000
On finance leases	9	38
Net interest on defined pension liability (note 20)	77	83
Total	86	121

9 Taxation

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

10 Write offs, losses, guarantees, letters of comfort, compensation

The college has not issued any guarantees, letters of comfort or indemnities during the year. No write offs were made during the year.

Newbury College

Financial Statements - Notes to the Accounts

11 Tangible fixed assets	Land	Buildings Freehold	Equip- ment	Total
		£'000	£'000	£'000
Cost or valuation				
At 1 August 2024	148	17,602	6,157	23,907
Additions	-	-	257	257
Disposals	-	-	-	-
At 31 July 2025	148	17,602	6,414	24,164
Depreciation				
At 1 August 2024	-	7,175	4,294	11,469
Charge for the year	-	366	367	733
Eliminated on disposal	-	-	-	-
At 31 July 2025	-	7,541	4,661	12,202
Net book value at 31 July 2024	148	10,427	1,863	12,438
Net book value at 31 July 2025	148	10,061	1,753	11,962

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

The depreciation charge on PFI assets for the year was £236,000 (2024: £236,000).

12 Trade and other receivables	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	1,531	2,159
Prepayments and accrued income	389	348
Total	1,920	2,507

13 Creditors: amounts falling due within one year	2025 £'000	2024 £'000
Obligations under finance leases	304	386
Trade payables	558	724
Other taxation and social security	155	121
Accruals and deferred income	2,225	983
Holiday pay accrual	229	226
Deferred income - other	57	57
Deferred income - government capital grants	367	367
Amounts owed to the DfE	-	40
Total	3,895	2,904

Newbury College

Financial Statements - Notes to the Accounts

	2025	2024
	£'000	£'000
14 Creditors: amounts falling due after one year		
Obligations under finance leases	329	633
Deferred Income - other	62	119
Deferred income - government capital grants	4,215	4,496
Other Creditors	585	161
Total	5,191	5,409

15 Maturity of debt - Finance leases

The net finance lease obligations to which the institution is committed are:

	2025	2024
	£'000	£'000
In one year or less	304	386
Between two and five years	329	633
In five years or more	-	-
Total	633	1,019

Finance lease obligations are secured on the assets to which they relate.

16 Provisions

	Defined benefit Obligations £'000
At 1 August 2024	1,841
Expenditure in the period	(187)
Transferred from income and expenditure account	(1,654)
At 31 July 2025	-

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 20

	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
17 Cash and cash equivalents				
Cash and cash equivalents	1,155	6	-	1,161
Total	1,155	6	-	1,161

Newbury College

Financial Statements - Notes to the Accounts

18 Capital commitments	2025	2024
	£'000	£'000
Commitments contracted for at 31 July	<u>207</u>	<u>90</u>

19 Lease Obligations

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

	2025	2024
	£'000	£'000
Future minimum lease payments due		
Other		
Not later than one year	53	48
Later than one year and not later than five years	82	92
later than five years	-	-
Total lease payments due	<u>135</u>	<u>140</u>

20 Defined benefit obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2024.

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions paid	799	636
Local Government Pension Scheme:		
Contributions paid	1,009	854
FRS 102 (28) charge	(318)	(303)
Effect of asset ceiling	54	-
Charge to the Statement of Comprehensive Income	<u>745</u>	<u>551</u>
Total Pension Cost for Year	<u>1,544</u>	<u>1,187</u>

Contributions amounting to £186,648 (2023: £167,760) were payable to the schemes at the year end, and are included in creditors.

Teachers' Pension Scheme

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

Newbury College

Financial Statements - Notes to the Accounts

20 Defined benefit obligations continued

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education in April 2024. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £22 billion giving a notional past service deficit of £40 billion.

As a result of the last scheme valuation, employer contributions were increased in April 2024 from a rate of 23.6% to 28.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £799,192 (2023: £628,226).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by West Berkshire Local Authority. The total contribution made for the year ended 31 July 2025 was £1,207,000, of which employer's contributions totalled £995,000 and employees' contributions totalled £212,000. The contribution rates for future years is likely to be 27.9% for employers and range from 5.5% to 12.5% cent for employees, depending on salary according to a national scale.

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

Newbury College

Financial Statements - Notes to the Accounts

20 Defined benefit obligations continued

Principal Actuarial Assumptions

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

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

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

	At 31 July Years	At 31 July 2024 Years
<i>Retiring today</i>		
Males	21.8	20.7
Females	24.1	23.6
<i>Retiring in 20 years</i>		
Males	23.4	22.0
Females	25.8	25.0

Sensitivity analysis

	At 31 July 2025 £'000	At 31 July 2024 £'000
Discount rate +0.1%	(195)	(214)
Discount rate -0.1%	200	219
Mortality assumption – 1 year increase	342	418
Mortality assumption – 1 year decrease	(332)	(405)
Pension increase +0.1%	202	220
Pension increase -0.1%	(198)	(215)

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

	2025 £'000	2024 £'000
Fair value of plan assets	12,238	10,539
Present value of plan liabilities	(12,120)	(12,309)
Present value of unfunded liabilities	(64)	(71)
	54	(1,841)
Less notional surplus not recognised*	(54)	-
Net pensions asset/(liability)	-	(1,841)

Newbury College

Financial Statements - Notes to the Accounts

20 Defined benefit obligations continued

* As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

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

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	663	535
Past service cost	14	-
Total	677	535
Less: Employer contributions	(995)	(838)
FRS102 wages entry	(318)	(303)
Effect of asset ceiling	54	-
Amounts included in interest payable		
Interest cost	623	572
Interest on plan assets	(555)	(498)
Administration expenses	9	9
FRS102 Net interest entry	77	83
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	242	25
Other actuarial gains/(losses) on assets	-	-
Changes in financial assumptions	1,908	(328)
Changes in demographic assumptions	(370)	27
Other experience adjustments	(126)	63
Amount recognised in Other Comprehensive Income	1,654	(213)
Movement in net defined benefit asset/(liability) during the year		
	2025 £'000	2024 £'000
Deficit in scheme at 1 August	(1,841)	(1,848)
Movement in year:		
Current service cost	(663)	(535)
Employer contributions	995	838
Past service cost	(14)	-
Net interest on the defined (liability)/asset	(77)	(83)
Actuarial gain or loss	1,654	(213)
Surplus/(liability) in scheme at 31 July	54	(1,841)
Less notional surplus not recognised	(54)	-
Net defined benefit asset/(liability) at 31 July	-	(1,841)

Newbury College

Financial Statements - Notes to the Accounts

20 Defined benefit obligations continued

Asset and Obligation Reconciliation

	2025	2024
	£'000	£'000
Reconciliation of Assets		
Fair value of plan assets at start of period	10,539	9,325
Interest on plan assets	555	498
Return on plan assets	242	25
Other actuarial gains/(losses)	-	-
Administration expenses	(9)	(9)
Employer contributions	995	838
Contributions by Scheme participants	212	178
Estimated benefits paid	(296)	(316)
Fair value of plan assets at end of period	<u>12,238</u>	<u>10,539</u>
	2025	2024
	£'000	£'000
Reconciliation of Obligations		
Defined benefit obligations at start of period	12,380	11,173
Current Service cost	663	535
Interest cost	623	572
Contributions by Scheme participants	212	178
Changes in financial assumptions	(1,908)	328
Changes in demographic assumptions	370	(27)
Estimated benefits paid	(286)	(307)
Contributions in respect of unfunded benefits	(10)	(9)
Other experience	126	(63)
Past service cost	14	-
Defined benefit obligations at end of period	<u>12,184</u>	<u>12,380</u>

21 Events after the Reporting Period

The College has requested and received £1.5m of emergency Funding from the DfE in order to repay its Advance of Funding liability. These monies were drawn down on the 15th December 2025.

Also, the College as formally entered a FE Commissioner led Structures and Prospects Appraisal (SPA) process which is due to conclude in Spring 2026.

22 Related party transactions

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

No Governor has received any remuneration or waived payments from the College during the year (2024: None).

Newbury College

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23 Amounts disbursed as agent – Learner support Funds

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

	2025	2024
	£'000	£'000
Balance at 1 August	134	83
16-18 bursary grants	88	80
Other Funding body grants	-	-
	<u>222</u>	<u>163</u>
Disbursed to students	(55)	(26)
Administration Costs	(4)	(3)
Balance unspent at 31 July, included in creditors	<u>163</u>	<u>134</u>