



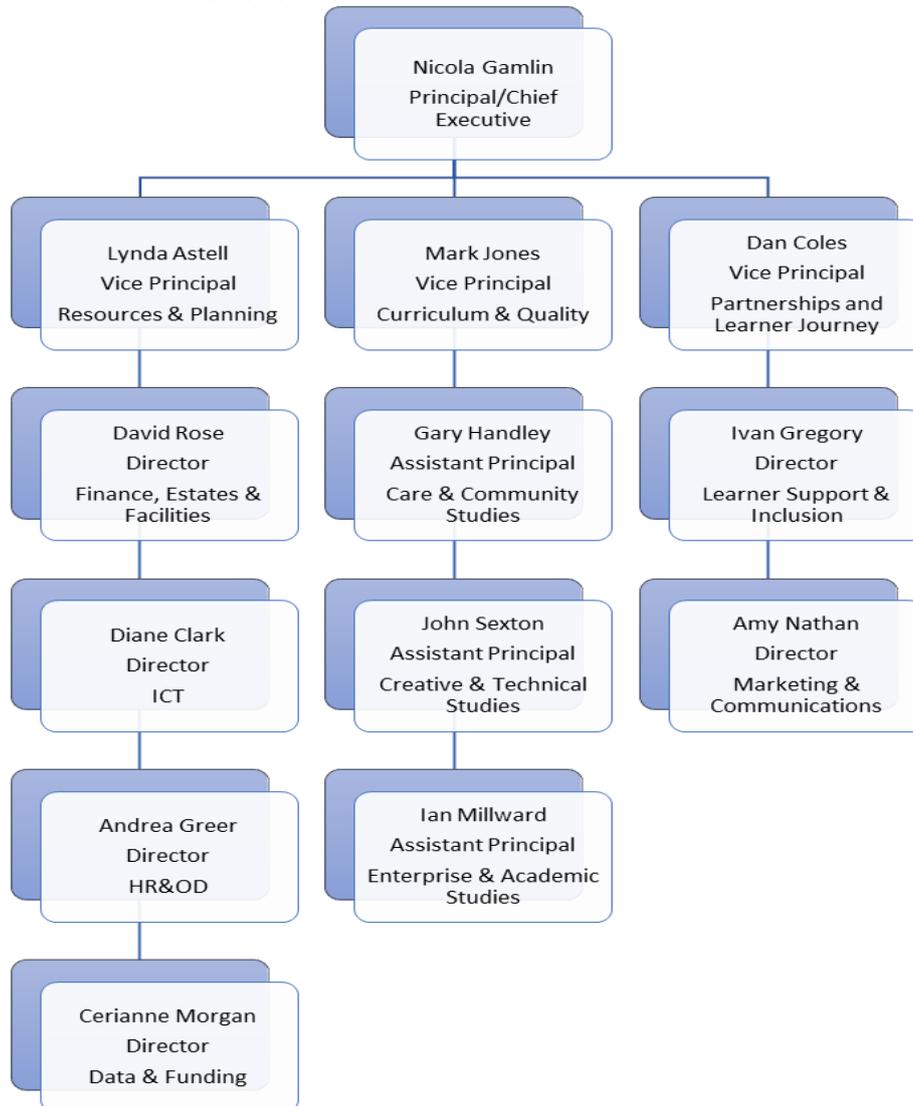
**Coleg
Gwent**

**ADRODDIAD
BLYNYDDOL A
CHYFRIFON
2024/25**

**ANNUAL
REPORT AND
ACCOUNTS
2024/25**

KEY MANAGERS, BOARD OF GOVERNORS AND PROFESSIONAL ADVISORS

Key Managers are defined as members of the Senior Leadership Team (SLT) and were represented as follows in 2024/25:



A full list of Governors is given on page 24 of these financial statements. Mrs Marie Carter acted as Governance Officer throughout the period.

The College's professional advisors and bankers for the period were:



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REVIEW OF 2024/25

Our Governing Body are proud to present their report and the audited financial statements for the year ended 31 July 2025. The financial statements are prepared in accordance with Financial Reporting Standard (FRS) 102, the Further and Higher Education Statement of Recommended practice (SORP) 2019 and the Medr Accounts Direction 2024/25.

OUR LEGAL STATUS

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

The Corporation was incorporated as Gwent Tertiary College. On the 1 January 2000, the Secretary of State granted consent to the Corporation to change the College's name to Coleg Gwent, a name considered to better represent the broad range of provision offered by the College.

STRATEGIC REVIEW

Our strategic direction is set out in our Mission and Vision which shape the content of our College Strategic Plan.

Mission

To change lives through learning

Vision

By 2026 Coleg Gwent will be the College of choice, actively working with our communities, where all learners and staff are treated with respect, achieve their full potential and benefit from the best resources in an inspirational learning environment.

The strategic direction set by the Corporation is driven by the needs of our learners.

The College is fully committed to listening to learners to bring about quality improvement and the learner voice is an integral part of the college's quality strategy. Learners play an active role in college development.

The FE sector continues to benefit from excellent financial support from Welsh Government. The College directs this funding appropriately to ensure that learners are well supported both in terms of their main study programmes and wellbeing.

Our Strategic Plan is supported by a number of specific area strategies, each of which is actioned and closely and regularly monitored through regular Senior Leadership Meetings and through the Governing Body and its sub committees.

The College has an agreed set of Corporate Key Performance Indicators which measure success in the implementation of our strategic aspirations.

PUBLIC BENEFIT

The College is an exempt charity and is regulated by Medr as Principal Regulator for all FE Corporations in Wales. As an arms-length body of the Welsh Government Medr now manages the funding and regulation of the tertiary education sector, including FE, replacing the previous responsibilities held by the Welsh Government and the Higher Education Funding Council for Wales (HEFCW). The members of the Corporation, who are trustees of the charity, are disclosed on pages 24 and 25. In setting and reviewing the College's strategic objectives the Corporation has due regard for the Charity Commissions' guidance on public benefit and particularly upon its guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High quality teaching
- Widening participation and tackling deprivation and social exclusion
- Strong student support systems
- Excellent employment record for students
- Strong links with employers, industry and commerce

The delivery of public benefit is set out throughout this report of the Corporation and through the achievement of the College's key objectives and performance indicators.

The College uses a range of key performance indicators (KPIs) to monitor financial performance, which are set out on Page 3.

The College's overall financial and learner performance showed all-round improvements against the performance in 2023/24. It achieved all the financial performance KPIs and improvements in all the key learner outcome metrics.

COLLEGE PERFORMANCE

The narrative on pages 3 to 18 provides further detail about the overall college performance and covers the following key areas:

Our Financial Performance	• Page 3
Our Learners	• Page 7
Curriculum Development	• Page 9
Investment in Staff	• Page 11
Investment in Estate, Technology & Physical Resources	• Page 13
Partnerships	• Page 14
Health, Safety & Environmental Performance	• Page 14

OUR FINANCIAL PERFORMANCE

These financial statements reflect the results for the year ended 31 July 2025.

It should be noted that whilst the College remained part of a Group structure throughout 2024/25, there has been no activity within the subsidiary companies during this time.

The financial performance for the year will, therefore, be discussed only in the context of the College throughout the report.

Operating Surplus	• Target (£4,150k) v Actual £944k	✓
EBITDA	• Target £916k v Actual £4,311k	✓
Current Ratio	• Target 1.9 v Actual 2.38	✓
Cash Days	• Target 106 days v Actual 111 days	✓
Staff Costs as a % of Total Income	• Target 72.9% v Actual 67.2%	✓
Performance against Full Time Learner Funding Target	• FT Target 100.0% v FT Actual 105.0%	✓
Performance against Learner Funding Target	• PT Target 97.5% v PT Actual 99.2%	✓
Mainstream Income as a % of Total Income	• Target 90.4% v Actual 88.4%	✓

As the above KPIs clearly demonstrate, the College has achieved all its financial KPIs for 2024/25 with EBITDA well above Budget. It benefitted from the in-year receipt of £4.4m in additional revenue grants (including a £1.4m backlog maintenance grant that supported critical repair works) from Welsh Government that were notified after the Budget targets had been approved.

Performance against learner targets improved with the College achieving its internal targets. Full-time learner numbers increased by 345 and the funding value of part-time programmes increased with 99.2% of the contract achieved, against an internal target of 97.5%.

For the year ended 31 July 2025 the College's internal management accounts report a **£1,488k operating surplus**. A reconciliation of this position to the Statement of Comprehensive Income (page 36) is set out in the table on the next page.

Reconciliation of Management Accounts to Statement of Comprehensive Income

	Actual 2024/25 £k	Actual 2023/24 £k
Operating surplus/(deficit) before non-cash pension costs and exceptional items	1,488	(697)
<i>Less: Non-cash pension credits</i>	(1,245)	(628)
Operating surplus/(deficit) before exceptional items	2,733	(69)
<i>Staff restructuring costs</i>	(1,796)	(1,007)
<i>Profit on disposal of assets</i>	7	3
Surplus/(Deficit) for the year	944	(1,073)
<i>Actuarial gain in respect of pension schemes</i>	19,465	8,128
<i>Impact of Asset Ceiling Restriction</i>	(35,055)	-
Total Comprehensive Income for the year	(14,646)	7,055

The operating surplus of £1,488k is an improvement on the £697k operating deficit reported in 2023/24 and reflects another successful year of recovery in financial performance since the pandemic.

In 24/25 Welsh Government continued with its commitment to funding learner recovery through the provision of a number of grants. This allowed the College to fund much needed additional support for our learners both in terms of teaching and learning and wellbeing and enrichment.

Other issues to note and which are accounted for in the net operating surplus are:

Non-cash pension costs - the surplus for the year includes non-cash credits of £1,245k (2023/24 - credits of £628k) arising as a result of accounting for the LGPS in accordance with FRS 102 and which is made up of two elements:

<i>FRS 102 charge below contributions</i>	(£519k)	(23/24 (£345k))
<i>Pension finance credits</i>	(£726k)	(23/24 (£283k))

The credits to the income and expenditure account are impacted by changes in actuarial assumptions and market movements in respect of the assets held by the pension scheme - both of which are outside the control of the College.

Staff Restructuring costs - a total of £1,796k of costs (2024: £1,007k) have been incurred in funding exceptional redundancies during the year. A targeted voluntary redundancy scheme was run between March and July 2025, with the aim of increasing college-wide operational efficiency in 2025/26, and focusing greater resource on improving learners' outcomes and experience at college.

Increased holiday pay accrual - accounting standards require the College to consider the cost of outstanding holiday entitlement held by staff at the year-end as an accrual. Each year the College encourages all staff to book their annual leave through the College's electronic booking system. At the end of the year any unused leave is costed using each staff members daily pay rate and the total accrued in the annual financial statements.

During 2024/25 there was an increase in the holiday pay accrual of £975k, bringing the total accrual to £1,663k. This large movement in the year is the outcome of a review of the methodology for the estimated accrual.

Treasury Policies and Objectives

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

The College has a separate Treasury Management policy in place. The current policy is currently being reviewed as planned and the updated policy is due for Board approval in December 2025.

Cash

The College's cash balance at 31 July 2025 was £5.9m (2024 - £6.5m). The improvement in the College's operating cash surplus and investment activities was stronger than budgeted by £2.5m, which helped to fund the year's capital investment. During the year the College invested £3.5m (2024: £3.1m) in capital resources for the benefit of learners and staff, detail of which can be seen later in the report. The improvement in the College's operating cash surplus and investment activities. It placed £20m in short-term deposit funds with UK banks, maturing in September 2025, October 2025, January 2026 and April 2026, in accordance with its Treasury Management policy.

Impact of pension costs on the College's results

The College's results are significantly affected by the volatility arising from the accounting requirements for post-employment benefits set out in FRS 102. This accounting standard establishes the requirements on the College in accounting for the cost of its commitment to the Local Government Pension Scheme (LGPS) in respect of its business support staff. Accordingly, the charges to the income and expenditure account and the liabilities or assets shown on the balance sheet are impacted by changes in actuarial assumptions and market movements, in respect of the assets held by the pension scheme, both of which are outside the control of the College.

For the third successive year, in 2024/25 the pension scheme saw another significant improvement in its funding position, primarily as a result of the sizeable increase in the discount rate applied to future scheme liabilities because corporate bond yields have risen (increased from 5.0 to 5.8% in 2024/25).

The surplus for the year includes non-cash credits of £1,245k (2024 - £628k) arising as a result of accounting for the LGPS in accordance with FRS102.

In the two previous years, the College has recognised the pension asset (£14.2m in 23/24). However, for 2024/25 it has decided to apply a £35.1m asset ceiling restriction to the asset valued and recognise no asset, because the rationale that was assumed in the previous two years is not applicable this year. The actuarial assumptions for the position at 31st July 2025 state that any economic benefit from reduced future contributions is limited by the minimum funding requirement which the College is committed to. The College has therefore

assumed that it will not receive future reductions in service costs as a result of the new surplus position.

The application of the pension ceiling to reduce the pension asset to zero in the balance sheet at 31st July 2025 (£35.1m) is partially offset by a £19.5m actuarial gain the year. The net reduction in reserves from these pension movements is £15.6m.

In considering the impact of these accounting requirements on the College's financial position it should be noted that pensions are, by their nature, long term obligations and that in meeting these obligations the College pay the employer contributions to the pension scheme set by LGPS scheme rules.

Payment Performance

The College has standard 30-day payment terms with the majority of its suppliers and is in line with the requirement of the Late Payment of Commercial Debts (Interest) Act 1998. The supplier is made aware of these terms by issuing a copy of the College's terms and conditions with each purchase order.

The calculation of payment performance, as originally prescribed in the Accounts Direction, is based on the year-end creditor figure and at 31 July 2025 was 1 days (2024 - 1 day).

OUR LEARNERS

Learner Numbers

In 2024/25 Coleg Gwent was the College of choice for 16,571 learners (2023/24 - 15,446):



The Diversity of our Learners

The College enrolls a diverse student population which broadly reflects the communities served by its campuses, the five county Community Education franchises and its Work Based Learning programme. In 2024/25, 12% (23/24 9.4%) of our learners were from BME groups and 25.0% (23/24 - 18.5%) of learners declared themselves as having a disability and/or learning difficulty. The number of males studying full time at the college decreased very slightly at 47.4% (23/24 - 47.6%).

The College serves a significant proportion of learners from areas of high deprivation compared to the most recently available sector average (56% against a sector average of 49%). However, this does vary across our campuses with a higher proportion of learners from areas of high deprivation at the Blaenau Gwent Learning Zone (64.5%) compared to much lower numbers at our Usk campus.

Learners from all deciles perform well on every measure and this is consistent across the categories. When we compare outcomes for learners from deciles 1 with deciles 5-10, the

difference in success rate is in line with the sector average and with the previous year. This provides reassurance that the College supports its learners well and has strategies in place that successfully compensate for the potential negative impact of deprivation on learning.

Learner Outcomes

The College is very proud of the achievements of its learners as activity returns to pre-pandemic levels. We are able to utilise the 2023/2024 benchmarks shared with us from Medr's Consistent Measures publication. The 2024/25 benchmarks will be released in May 2026.

Feedback through questionnaires, class reps, student governors, and ad hoc forums throughout the year suggest that learners are very satisfied with their experience in college. Nearly all learners state that they feel safe in college, which is pleasing given the rollout of the college's 'Ready, Respectful, Safe' initiative.

Full-time learner recruitment continues to increase and the college recruited 345 additional full-time learners in 2024/25 although learner attendance remained challenging across the whole of the education sector. The sector is fortunate to receive targeted financial support for learner wellbeing from Medr.

This year saw the final step towards parity with pre-pandemic outcomes in A Levels, with all mitigations lifted. More than 5,000 full-time learners studied vocational qualifications and a further 1,291 learners entered around 3,000 exams across AS and A Level. Of these, 61 A Level subjects achieved 100% pass rate across our three campuses, and many learners progressed on to Russell Group or Oxbridge universities.

The College continues its very successful delivery of Welsh Government's Personal Learning Accounts (PLA) provision which helps adults undertake industry-endorsed qualifications, enabling them to progress in their careers in key priority employment areas.

A Levels Results

We have returned fully to pre-pandemic assessment methods and grading with overall outcomes across Wales returning to pre-pandemic levels. A Level outcomes were 98.2% with the number of learners achieving A*-A grades at 18%. Campus A results are as follows: The below graphic contains the outcomes for Wales.



The pass rate in the Advanced Skills Baccalaureate (A Level equivalent) was 94%, which is very pleasing given the high number of entries (over 900).

GCSE Results

91% of our learners who followed a Maths GCSE programme of study gained a qualification (A* to G) which is consistent with the previous year. Of these, 28% achieved A* to C grades, an increase on the previous year (24/25: 19.9%) which is very pleasing against a backdrop of the grades profile nationally.

For GCSE English, 97% of our learners achieved the qualification (A* to G) which is consistent with the previous year. 32% gained A* to C grades an increase on the previous year (24/25: 18%).

Vocational Results

Overall success in all main qualifications as at 22 October 2025 is 81%. Completion is notable at 87%, though this remains lower than pre-pandemic years, where retention was around 89-90%. This remains an area of priority.

Apprenticeships

The success rate for Apprenticeships is not finalised until December each year, but the College is forecasting an outcome of 70% for 24/25. This is consistent with the final outcomes for recent years and, although below the ambitious target the College has set itself, is likely to be above the Wales average. The college contract value has also remained steady, with the focus primarily on improving the quality of outcomes.

Funding Targets

Full-time recruitment across the sector has made a strong recovery as we continue an upward post-pandemic trend. Overall, the College achieved 105% of its Welsh Government full time allocation which is a significant improvement compared to the previous year. Part-time recruitment increased significantly compared to pandemic years and the college achieved 99.2% of its funding allocation.

The 2024/25 year was another successful year for PLA (Personal Learning Accounts) with the college delivering more than £2.81m of activity.

The establishment of Medr is now fully implemented within the post-16 sector. Funding allocations for 2024/25 increased for most colleges.

Curriculum Development

Our curriculum continues to develop to meet the needs of our stakeholders and of the communities we serve. The curriculum is broad, as one of a few post-16 providers to offer courses across every Subject Sector Area (SSA). Progression opportunities are an important part of our planning and development with pathways from Entry level to Higher Education, with a growing portfolio at Level 6.

Working with employers is a key priority for us, developing partnerships to help inform and improve the curriculum offer and its delivery. Aligning our curriculum offer to local and regional priorities is an important theme for each faculty, using labour market intelligence and the assignment of our Employer Engagement team to key employers.

Skills development remains a high priority with the provision of the Advanced Baccalaureate or Skills programme to all full-time learners, together with GCSE pathways where learners need to develop numeracy and literacy skills. Learners have opportunities to develop their Welsh language skills and this forms an integral part of learning for priority subjects such as Health, Childcare, Public Services, Media.

Investment in resources continues to enable us to ensure a curriculum offer that is up to date and relevant, resulting in learners who have the skills to progress into employment. For example, we have an extensive fleet of electric vehicles in motorsport engineering, a sector leading composites lab, Cyber hubs and healthcare simulation suites, together with extensive animal care and equine facilities. 2025-26 will see the official opening of our new HiVE engineering facility in Blaenau Gwent, a state of the art collaboration with Blaenau Gwent local authority and Government to create a facility which will engage learners in advanced engineering provision and contribute to the creation of a highly skilled workforce.

Learner Achievements

It has been another fantastic year for Coleg Gwent at the WorldSkills UK competitions. Our talented learners once again showcased their exceptional skills, winning Gold, Silver, and Highly Commended awards across a range of disciplines. We look forward to hosting the National competition at our city of Newport campus next year.

We shared an amazing evening with Sam Warburton to celebrate our annual Learner Awards Ceremony to honour inspiring learners and their dedication and achievements throughout the academic year. Students from every campus came together to receive awards, share inspiring stories, and hear special mentions from staff about some of the brightest and most dedicated learners.

Our ILS Supported Internship programme (Pathway 4) continues to go from strength to strength. Our ILS learners benefit from placements with a range of employers in health and catering to name just two disciplines. This has been a great success with many learners gaining employment as a result.

In a ground-breaking move toward inclusivity and equal opportunity, we joined forces with Agored Cymru and Professor Paul Edwards to offer students from less advantaged backgrounds an opportunity to study an Access to Medicine course. The course, which prepares students for a Medical Pathway Degree is the first of its kind in Wales. In 2024/25, all learners on programme successfully completed their course.

Many learners benefited from exciting overseas enrichment and study experiences:

- In a unique learning experience, our Criminology and Sociology learners visited Shepton Mallet prison to take part in real-world research. This opportunity enabled them to develop practical and specialist skills, preparing them to become future experts in their field.
- As part of a unique international study experience, our Geography learners visited Iceland to investigate its geology and glacier activity. This hands-on exploration enriched their academic understanding while providing insights through direct fieldwork.
- Our Photography students experienced the glamour of Cannes, photographing models at one of the world's most prestigious festivals.

INVESTMENT IN OUR STAFF

Over the last 12 months we have continued to embed our social partnership approach as we have worked through re-organisation of our Establishment and continued to develop our organisational people policies.

Training & Continual Professional Development

We have continued to foster a culture of learning and development, where life-long learning is promoted through our Professional Learning Days (PLD) and continued development of the CPD Hub, which offers resources and courses for all staff to utilise.

Our PLDs look to provide tailored Faculty and Department training, alongside All-Staff training days which focus on corporate learning and development priorities. A key priority being digital learner, including AI and also developing a high performance culture. PLD aim to offer critical collaboration and reflection within departments to embed learning.

We have continued to invest funds towards the strategic priority of PGCE training for lecturing staff, to support those who have transitioned from industry and ensure all our teaching is supported by pedagogical theory.

Staff Pay & Remuneration

The College demonstrates value to its staff by reviewing pay and reward annually to ensure a competitive edge is maintained and the contributions of staff in the success of the College are recognised. The pay increase during 2024/25 was in recognition of the cost-of-living pressures and all staff received an increase of 5.5%, and all pay grades are above the Real Living Wage.

The College also seeks to ensure fairness and transparency over the allocation of pay and the annual report on the Gender Pay Gap is one element of this. During 2024/25 we reported a mean gender pay gap of 6.19% (2023/24: 7.01%) and a median gender pay gap of 14.08% (2023/24: 14.66%).

Diversity & Inclusion

We have continued to drive a culture of inclusion and celebrate the diversity of our learners, colleagues, communities and stakeholders. Our achievements over the last 12 months include:

- Launched the “Join our Affinity Networks” and Men’s Health Champion campaign to promote diversity, inclusion, and mental wellbeing as integral parts of our working practices and staff experience.
- The successful delivery of our college cultural diversity celebration; attracting over 150 staff and learner attendees and featuring interactive workshops and guest speakers – showcasing strong collaboration between staff, learners, and partner organisations.

- Our staff affinity networks, with over 200 active members, continue contributing to meaningful policy changes—strengthening our commitment to equity, diversity, and inclusion through lived experience, representation, and shared voice.
- Anti-racism was recognised as a corporate learning priority, with all staff engaging in Advancing Racial Equity training and the creation of two antiracism champion roles across the college.
- Targeted financial investment in diverse recruitment platforms and job boards, ensuring broader outreach and visibility of vacancies to underrepresented communities.

Health & Wellbeing

Colleague health & wellbeing also remains a priority at the College. We have seen a reduction in our overall absence rates and invested in management support for consistency.

Actions over the last 12 months have included the following:

- Dedicated HR resource to support management in applying the Sickness Absence Policy procedures for support.
- Revision of our help and support intranet guidance for all staff.
- The delivery of menopause awareness training for all management.
- Staff health checks for all colleagues across campuses.
- Continued use and promotion of the wellbeing app - Headspace. This is available to all colleagues and learners.
- Continued access to culturally sensitive mental health support for people from Black Asian and ethnic minority communities through the CCAWs service.
- Providing colleagues with the opportunity to be a part of our 7 staff affinity networks.
- Continued use and promotion of the Jointly app (in partnership with Carers Wales), offering accessible mental health support and practical tools for those with caring responsibilities.
- Provision of wellbeing mats across campus multi-faith rooms, supporting spiritual wellbeing and fostering open conversations around faith and mental health.
- Providing colleagues with the opportunity to undertake Mental Health First Aider training, building internal capacity to support mental wellbeing, and reduce stigma.
- Introduced Mortgage Awareness training for staff, helping colleagues make informed decisions about home ownership and financial planning.

INVESTMENT IN OUR ESTATE, TECHNOLOGY & PHYSICAL RESOURCES

We continued working hard to enhance resources for our learners and staff, and throughout the year made effective and efficient use of all additional Welsh Government capital grants when they became available. In total we invested £3.5m in various projects as summarised in the chart below.

CAPITAL INVESTMENT IN OUR ESTATE & FACILITIES - £1.8M

- £1.4m of Backlog Maintenance grant funded works were completed, including replacement of the X Block roof terrace at Crosskeys, toilets at Newport, asbestos removal at Newport, and resurfacing works at Usk.
- The exciting HiVE opened its doors to students in September 2025 following a large installation of furniture and specialist equipment.
- A range of capital projects completed including a new science laboratory in BGLZ, a refurbished student hub and entrance to X Block in Crosskeys, a refurbished exam room at Crosskeys, improved classrooms at Usk, and a range of works associated with the college environment.
- Exterior works were undertaken at the Crosskeys Campus to divert services away from the footprint of the new Y Block Phase 1 of the Crosskeys masterplan implementation.
- The Newport Knowledge Quarter project, funded via the Welsh Government's Mutual Investment Model (MIM), that will replace the current Newport campus is being worked on by a substantial WEPco appointed design team and is close to Stage 1 sign-off.

CAPITAL INVESTMENT IN TECHNOLOGY - £1.7M

- Further investment into the VDI Infrastructure - for use in the classroom and to facilitate flexible working.
- Improvements to the learner experience in the classroom with the upgrade of 400 laptops and 1,000 PCs
- Continued investment in core ICT infrastructure, such as enhancing the server storage environment and upgrading the firewall.
- Improvements to our WiFi network with the acquisition of 100 new access points.
- Installation and commissioning of 30 new interactive white boards across the College.

INVESTMENT IN CURRICULUM EQUIPMENT & OTHER RESOURCES

An Asset Replacement Programme is in place to track the estimated replacement dates of major capital equipment, and includes any future equipment requirements identified in the strategic plans. This enables us to respond quickly when WG funding becomes available and work within very challenging timescales.

PARTNERSHIPS

Collaborative working and proactive engagement with stakeholders remain a strategic priority for the College, enabling us to maximise our impact for learners, employers, and the wider community.

The Employer Partnership Pledge continues to strengthen our relationships with industry, enhancing employer engagement to address regional skills needs, improve learner outcomes, and support economic development. During the year, the number of employers committed to the Pledge increased to 20, and we welcomed a new Entrepreneur-in-Residence. Through this initiative, employers have contributed to a wide range of activities that enrich learning and provide valuable work-related experiences across our faculties.

As a member of the B-WBL Consortium, led by Pembrokeshire College, the College delivers an Apprenticeship programme, primarily in the areas of Construction, Engineering and Catering. This partnership continues to operate effectively, offering strong support for our delivery and facilitating the Medr contract. Apprenticeship outcomes for 2024/25 are forecast to be in line with those achieved in 2023/24.

The College maintains strategic partnerships with several higher education institutions to deliver university-level programmes across an expanding portfolio of subject areas. In 2024/25, over 600 learners enrolled on higher education courses. We also collaborate with universities, most notably the University of South Wales, on regional initiatives designed to benefit local communities and employers.

Operating across five Local Authority areas, the College actively engages with strategic and operational partnerships, including Public Service Boards, skills and training groups, and economic forums. Our relationships with Local Authorities continue to strengthen, and the College is recognised as a key stakeholder in the skills, growth, and prosperity agendas across Gwent. Notably, we work with all five Local Authorities through the Gwent Adult Community Learning Partnership, delivering accessible courses that help communities gain new skills and qualifications. In addition, we continue to collaborate with Newport City Council and Welsh Government on the development of the Newport Knowledge Quarter, a new campus in the heart of the city.

In Blaenau Gwent, the College has maintained close collaboration with the County Borough Council, the Tech Valleys programme, Welsh Government, and local employers, with a particular focus on supporting the engineering and manufacturing sectors. The brand new HiVE facility in Ebbw Vale was completed towards the end of 2024/25 and is now ready to deliver a full curriculum from 2025/26.

HEALTH, SAFETY AND ENVIRONMENTAL PERFORMANCE

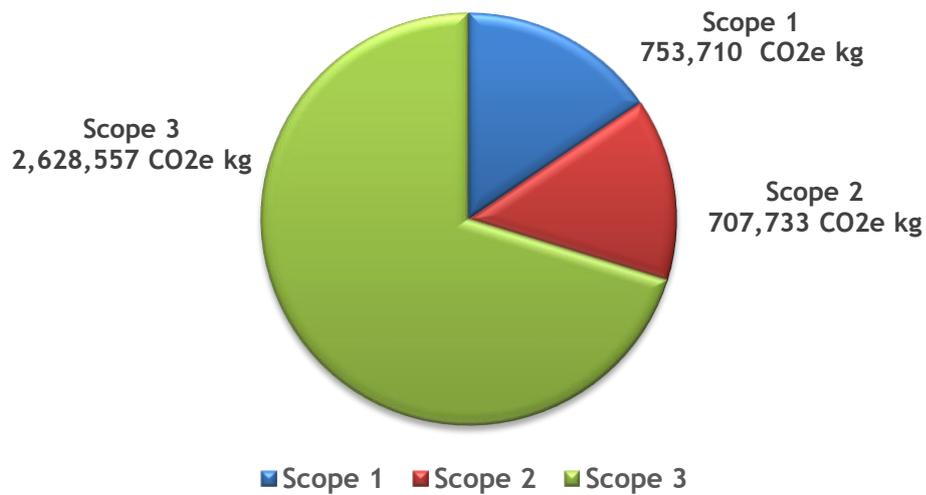
During 2024 /25 the College continued to meet its aim of making year on year improvements in its health, safety and environmental performance and in doing so achieved a number of key goals that demonstrate the College's commitment to minimising risk, providing a safe learning environment and achieving net zero carbon by 2050.

During 2024/25 the College successfully maintained its accreditation to both ISO 45001 (Occupational Health & Safety Management Standard) and ISO 14001 (Environmental Management). As a result, the college remains the only Further Education College in Wales with accreditation to both standards. The management standards help provide assurance of legislative compliance and the risks associated with the College are assessed, the control measures reviewed and appropriate action taken to reduce those risks.

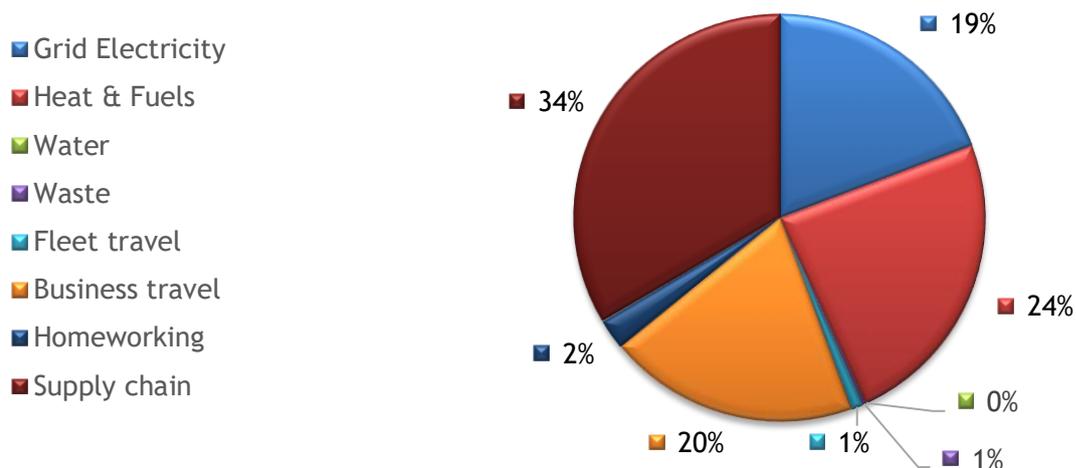
Key Achievements

- The total carbon footprint for scopes 1,2 & 3 equated to 4,090,000 kg CO_{2e}. This is a **decrease by some 724,316 kg CO_{2e}** when compared to 2023- 2024
- The total energy use (natural gas, grid electricity and district heating) equated to 7,453,561 kWh, this is a **reduction by some 1,237,173 kWh** when compared to the previous year
- The college generated 81,728 kWh of electricity through its rooftop solar PV's; this equated to a **saving of 22,168 kg CO_{2e}**
- The college continued to show a decline in the total number of reportable accidents under RIDDOR with **0 accidents reportable to the HSE.**

Total Carbon Emissions (2024 /2025)



Total CO_{2e} emission as percentage



FUTURE RISKS, UNCERTAINTIES & PRIORITIES

As we continue to deliver on our vision to change lives through learning, we remain focused on managing the risks and uncertainties that could impact our ability to achieve our strategic ambitions. Our Corporate Risk Register, reviewed regularly by the Audit Committee and Board, outlines the key challenges we face and the controls in place to mitigate them. These risks are closely aligned with our strategic priorities and are informed by both internal assessments and external developments.

A key area of risk remains ensuring a safe and inclusive environment for learners and staff. Any failure in this regard could result in harm, reputational damage, and reduced recruitment. We continue to invest in safeguarding, equality, and staff development to uphold our values and behaviour expectations: Be Ready, Be Respectful, Be Safe. Compliance with Health & Safety, Net Zero, and DDA legislation also remains critical, with a low-risk appetite and strong governance structures in place to ensure legal and environmental responsibilities are met.

Cyber security and information governance present growing challenges, with the threat of data breaches and system disruptions increasing across the sector. We have responded with enhanced controls, including external partnerships, mandatory training, and ISO/Cyber Essentials Plus accreditation, to protect the integrity and availability of our systems. Similarly, the implementation of the ALNET Act requires ongoing attention to ensure compliance and avoid educational tribunal proceedings.

We are working closely with sector bodies and government to support learners with additional needs effectively.

Financial sustainability is another key priority. The need to deliver efficiencies while maintaining investment in learners, staff, and infrastructure is central to our strategic ambitions. Our operational business planning and forecasting processes are being continually refined to ensure resilience and agility. Linked to this is the challenge of improving learner outcomes and maintaining funding targets, both of which are essential to our reputation and financial health. We are focused on targeted interventions, curriculum planning, and performance monitoring to support learner success and progression.

Strategic estate developments, particularly the Crosskeys Redevelopment and the Newport Knowledge Quarter (NKQ), are vital to enhancing the learner experience and strengthening

community engagement. Delays or funding challenges could impact learner numbers, outcomes, and staff morale. We are working closely with stakeholders, including Welsh Government, to progress these projects and realise our ambition for a vibrant, inclusive learning environment in Newport.

In addition to these risks, our recent Self-Assessment has identified several key areas for improvement that will shape our future priorities. In our **Teaching and Learning**, we will strengthen planning and differentiation to better meet individual learner needs, particularly by integrating literacy, numeracy, and digital skills into lower-level programmes and ensuring teaching and assessment reflect learners' ALN profiles and individual development plans. We aim to improve consistency in teaching quality and assessment practices, with a specific focus on Level 1 and 2 programmes and the Advanced Skills Baccalaureate. We will also enhance the integration of Welsh language, culture, and equality, diversity, and anti-racist education across all curriculum areas to foster cultural awareness and respect.

In our **Wellbeing, Care, Support and Guidance**, we will strengthen learner support systems to improve attendance, progression, and outcomes, especially for the most vulnerable learners. This includes better coordination of pastoral, academic, and specialist teams to ensure timely and effective support. We will also improve the design and delivery of Personal and Social Education (PSE), ensuring learners gain a solid understanding of online safety, Prevent, peer-on-peer abuse, and digital citizenship through structured tutorials and embedded learning opportunities.

Finally, we will enhance leadership capacity and accountability across all levels by reviewing spans of control and embedding quality-focused leadership. Leaders will be supported to use performance data and management processes effectively to drive improvements in teaching, learning, and learner outcomes.

We will also modernise and standardise digital systems and processes to eliminate duplication and improve operational efficiency, while fostering a digitally confident workforce through baseline skills development and tailored support. A systematic approach will be introduced to assess the impact of specialist professional development—particularly in wellbeing and trauma-informed practice—on learner engagement, behaviour, and personal growth.

In a dynamic and evolving external environment, we remain committed to adapting our strategies to respond to emerging risks and opportunities. Our learner-first ethos, underpinned by integrity, respect, and a solutions-driven approach, will guide us through the challenges ahead.

STAKEHOLDER RELATIONSHIPS

As outlined above, the College has worked hard to establish productive relationships with a wide range of stakeholders:



We recognise that meaningful engagement with our stakeholders is fundamental to the College's continued success. By fostering strong relationships, we gain a deeper understanding of stakeholder needs and ensure these are aligned with our strategic priorities and organisational objectives. This report showcases numerous examples of effective collaboration with key partners, and we take pride in the development of these impactful relationships that ultimately enhance the learner experience.

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Coleg Gwent, I confirm that the college has had due regard to the requirements of grant funding agreements and contracts with Medr, and has considered its responsibility to notify Medr of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the college that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the college, or material non-compliance with the terms and conditions of funding, under the college's grant funding agreements and contracts with Medr, or any other public funder.

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

Signature: _____

Name: Nicola Gamlin

Principal/Chief Executive

Date:-

STATEMENT OF THE CHAIR OF GOVERNORS

On behalf of the college, I can confirm that the accounting officer has discussed their Statement of Regularity, Propriety and Compliance with the Board and that I am content that it is materially accurate.

Signature: _____

Name: Susan Ball

Chair of Governors

Date:-

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

This statement is provided to support the reader of the accounts to understand how the principles of the UK Corporate Governance Code (in so far as it applies to the FE sector) have been applied. Coleg Gwent is committed to best practice in all aspects of corporate governance and operates with due regard to the principles of the UK Corporate Governance Code. The Corporation has also adopted and annually reviews its compliance with, the Code of Good Governance for Colleges in Wales. A copy of the Code of Good Governance is provided to each Corporation Member on appointment. In the opinion of the Board, Coleg Gwent complied with all the provisions of the UK Corporate Governance Code in so far as they apply to the further education sector and the requirements of the Code of Good Governance throughout the year ended 31 July 2025.

The Board has approved its own Corporation Code of Conduct, Values & Behaviours and each Member of the Corporation annually affirms their commitment to abide by the standards set out in it. The Code of Conduct, Values & Behaviours references relevant statutory and regulatory guidance and enshrines the seven Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

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

The Corporation Board

The individuals who served as Governors and External Members during the year to 31 July 2025 are listed in the table on pages 24 and 25. Membership of the Board includes a strong independent element and the Board is of the view that each of its non-executive members is independent from management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is clear division of responsibility in that the roles of the Chair and Principal/Chief Executive are separate and all Members recognise and understand the division between their

governance role and the responsibilities of college management. The Corporation's Instrument & Articles of Government were fully reviewed and updated in July 2024 and clearly identify responsibilities that may not be delegated, along with those specifically delegated to the Principal/Chief Executive. Where appropriate, the Board has delegated some decisions to its committees or the Corporate Leadership Team. A Schedule of Delegation has been approved to ensure clarity and consistency in all such delegation.

It is the responsibility of the Board to apply independent judgement to issues of educational character, financial sustainability, strategy, performance, resources and standards of conduct. The Board and its committees are provided with regular and timely information on the overall financial performance of the College, together with other relevant information such as Key Performance Indicators, quality data, capital expenditure (including major projects) and operational resources matters (this includes human resources, diversity & inclusion, digital/cybersecurity and health, safety & environmental issues). Formal agendas and all meeting papers are provided to Governors in a timely manner prior to each meeting. The Board met five times during the 2024-25 academic year.

To support the effective discharge of its responsibilities, the Board operates with five sub-committees, each of which has clear Terms of Reference that are reviewed and approved annually by the Board. These committees are:

Audit Committee
Curriculum & Quality Committee
Finance & Resources Committee
Governance & Membership Committee
Remuneration Committee

Each committee provides a report of the matters addressed at its meetings to the next scheduled Board meeting. These reports set out the committee's recommendations on decisions requiring approval by the full Board and include draft minutes and relevant papers for information or review. Matters the committee feels should be escalated for discussion by the Board are also highlighted. A supplementary report summarises all other discussions at the committee meeting.

Appointments

The appointment of new Governors and External Members is subject to approval by the Board, based on the advice and recommendations of the Governance & Membership Committee. That committee is responsible for overseeing the recruitment and selection process and meets with all potential appointees prior to making a recommendation to the Board. Regular monitoring of the skills and diversity profile of the Board informs the recruitment process.

Other than the Principal/Chief Executive and three Student Governors, all members are appointed for a term of three years. They may be re-appointed to serve up to a maximum of three terms, or nine years. The Board is of the view that a maximum of nine years' service is appropriate and gives Governors time to develop a sound understanding of the college. It is also felt that this length of term provides effective continuity of leadership whilst allowing for periodic introduction of new perspectives and supporting the independence of the Board.

Re-appointment of Members is a matter for the Board as a whole, on the recommendation of the Governance & Membership Committee. Re-appointment at the end of each 3-year term of office is not automatic and depends on a range of factors including a review of the contribution, commitment and attendance of the Governor, alongside the current priorities and skills needs of the Corporation as a whole at that time.

Student Governors are each appointed for a one-year term of office. This can be extended at the Corporation's discretion and subject to such an extension, or re-election, Student Governors may serve a maximum of three years.

The Board is also responsible for the appointment of Senior Post Holders. The current Principal/Chief Executive, Nicola Gamlin was appointed in September 2024. Her appointment was via a rigorous, open recruitment exercise which was supported by an independent HR advisor.

Board Diversity

The Board is fully committed to leading the College to become an inclusive and diverse community. It aspires for the college to be a respectful and supportive environment where everyone is welcome and can be themselves. A Board Diversity & Inclusion Statement has been approved and is available on the college website. This Statement acknowledges the importance of leading by example through appointing Governors that reflect the diverse nature of the communities served by the College. It also commits to ensuring that diversity and inclusion considerations feature in all discussions and decisions of the Board. The Board Diversity Statement sets out a number of commitments and progress in meeting these is reviewed annually. The Board receives regular assurance updates on ED&I and a Link Governor attends meetings of the College's ED&I Steering Group along with the the Governance Officer.

The Board's recruitment processes are regularly reviewed and updated. The Governance & Membership Committee oversees the recruitment process and regularly reviews and advises the Board on its skills and diversity profile. Governors complete mandatory training on Diversity and they have previously joined college staff in completing anti-racism training.

Board performance

The Corporation Instrument & Articles of Government and Standing Orders are fully reviewed every three years. The last such review took place in July 2024. Additionally, the Terms of Reference for each of the sub-committees are reviewed annually to ensure they remain current and reflect any College or sector changes that have taken place in year.

The Board is committed to continuous improvement in governance. Governors complete an annual self-assessment of Board and committee performance. This process includes the opportunity for individual Governors to meet with the Chair or Vice Chair to discuss their own performance and development needs. An analysis of governance self-assessment responses was reviewed by the Governance & Membership Committee in December 2024. Following completion of one-to-one meetings, the Chair then presented a summary of feedback and key actions to the July 2025 Board meeting. The feedback informs the

Governance Self-assessment Report and a detailed Action Plan has been incorporated into this to support ongoing development of college governance.

The Board carries out periodic reviews of the college's governance structure. The last such review was undertaken in April 2023 and considered in detail the extent to which the Board fulfils its legal responsibilities. The review also considered benchmarking information on Board structures and processes at other colleges and across other sectors. It is anticipated that the next review of governance structure will take place once Medr finalises and publishes updated regulatory guidance.

Under advice from the Governance & Membership Committee, the Board is responsible for ensuring that appropriate induction and development is provided to members. This is based on individuals' own assessment of their skills, a review of the Board skills profile as a whole and feedback gathered through the annual self-assessment questionnaire. Training needs are also considered annually by each committee.

All Governors have opportunities to undertake training and development in relation to their role and responsibilities. They have access to a range of guidance materials electronically and all complete mandatory online training on Safeguarding & Prevent and Equality & Diversity. A development briefing is incorporated into the agenda for each Board meeting and topics during 2024-25 included the Welsh FE sector/Medr which was supported by the attendance of Medr's Chief Operations Officer. Other briefing topics at Board meetings and Strategy sessions throughout the year included stakeholder engagement; major Estates projects and activities to inform a review of the Coleg Gwent Vision, Purpose and Strategic Ambitions (which remains ongoing). During the year, Governors also engaged in online sessions delivered by Colegau Cymru on Welsh Government vision for both the Welsh language (Cymraeg 2050) and an Anti-racist Wales, as well as sessions on Work-based learning and the Board's role in risk management. To further support their development, Governors are encouraged to take part in campus visits and to attend college events. During the year, Governors have engaged in a wide range of exhibitions, performances, awards and employer events across college.

The Governance Officer

All Governors have access to the Governance Officer, who advises the Board on policy and procedure and ensures that the Board complies with all applicable legal and regulatory requirements in the conduct of its business. The appointment, evaluation, remuneration and removal of the Governance Officer are the responsibility of the Board as a whole.

The Governance Officer holds the Chartered Governance Institute's Advanced Certificate in Corporate Governance. She engages annually in relevant training and in 2024-25 this included:

- Anti-Bribery
- Whistleblowing
- GDPR (Advanced management training)
- Cybersecurity awareness

She also engaged with the Colegau Cymru Governor briefings noted above and attended the Colegau Cymru Annual Conference. Additionally, the Governance Officer participates in

meetings of the Welsh FE Governance Network. These meetings facilitate the sharing of best governance practice across the sector.

Governors and External Members who served in the period up the signing of the 2024-25 Coleg Gwent accounts

Name	Date of Appointment/ Reappointment	Term of Office (Years)	Status	Committees served*	Attendance in 2024-25
Mark Langshaw MBE Chair of Governors	01.08.2016 01.08.2019 <i>Re-apptd.</i> 01.08.2022 <i>Re-apptd.</i> 31.07.2025 <i>Retired</i>	3	Independent	C, F,G, R(Chair)	B 80% C 75% F 75% G 100% R 100%
Nicola Gamlin	09.09.2024	N/A	Principal/Chief Executive	C, F, G	B 100% C 100% F 100% G 86%
Susan Ball Vice Chair of Governors	01.04.2018 01.04.2021 <i>Re-apptd.</i> 01.04.2024 <i>Re-apptd.</i>	3	Independent	G(Chair), R A (<i>co-opted – 1 meeting only</i>)	B 100% G 86% R 100% A 100%
Anthony Basnett	01.01.2018 01.01.2020 <i>Re-apptd.</i> 01.01.2023 <i>Re-apptd.</i>	3	Independent	F (Chair) R	A 80% F 100% R 100%
Moawia Bin-Sufyan	01.01.2022 01.01.2025 <i>Re-apptd.</i>	3	Independent	A, G	B 60% A 80% G 57%
James Bird	01.01.2025 <i>Apptd.</i>	3	Independent	A	B 100% A 100%
Elizabeth Brimble	01.06.2019 01.06.2022 <i>Re-apptd.</i> 01.06.2025 <i>Re-apptd.</i>	3	Independent	C	B 60% C 75%
Andrew Clark	24.02.2021 23.02.2024 <i>Re-apptd.</i>	3	Independent	F	B 100% F 100%
Joshua Davies	22.05.24 31.07.25 <i>ended</i>	1	Student (FE)	C	B 60% C 100%
Delyth Evans	10.10.22	3	Independent	C	B 80% C 75%

Christopher Freegard OBE	01.01.2020 01.01.2023 <i>Re-apptd.</i>	3	Independent	A (Chair), G, R	B 100% A 100% G 86% R 100%
Bailjit Gill	01.06.2022 01.06.2025 <i>Re-apptd.</i>	3	Independent	F	B 80% F 75%
Andrew Johns	01.01.2025 <i>Apptd.</i>	3	Independent	A	B 100% A 100%
John Phelps	01.06.2019 01.06.2022 <i>Re-apptd.</i> 01.06.2025 <i>Re-apptd.</i>	3	Independent	A (to March 24) C (from March 25)	B 80% A 100% C 100%
Matthew Preece	01.01.2020 01.01.2023 <i>Re-apptd.</i>	3	Independent	C	B 80% C 75%
Timothy Rathbone	01.04.2024	3	Independent	F	B 80% F 100%
Maria Retter	24.07.24 31.08.25 <i>became ineligible following promotion to Senior Leadership Team</i>	3	Staff (Teaching)	C	B 80% C 50%
Josephine Rogers	01.08.2024 31.07.2025 <i>Ended</i>	1	Student (FE)	C	B 100% C 75%
Elizabeth Swaffield	01.06.2017 01.06.2020 <i>Re-apptd.</i> 01.06.2023 <i>Re-apptd.</i>	3	Independent	C (Chair)	B 80% C 100%
Huw Watkins	10.12.2024 <i>Apptd.</i>	1	Student (HE)	C	B 75% C 67%
Gareth Watts	10.10.2022.	3	Independent	F	B 40% F 50%
Joanne Weaver	10.12.2024 <i>Apptd.</i>	3	Staff (Business Support)	F	B 100% F 100%
* B = Board; A = Audit; C = Curriculum & Quality; F = Finance & Resources; G = Governance & Membership; R = Remuneration					

External Members that served on the Corporation's committees in the period were:

Name	Date of Appointment/ Re-appointment	Term of Office (Years)	Status	Committees served	Attendance in 2023/24
Farishna Chohan-Solanki	01.04.2023	3	Independent External	A	A 80%
Richard Brown	23.10.2024 <i>Apptd.</i>	3	Independent External	A	A 100%

Corporation appointments since 31 July 2025

Name	Date of Appointment/ Re-appointment	Term of Office (Years)	Status
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Boyd Paynter	01.08.2025 <i>Apptd.</i>	1	Student (FE)
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CORPORATION COMMITTEES

Curriculum & Quality Committee

The Curriculum & Quality Committee advises the Board and oversees performance in all matters relating to the quality of education provided by the college. This includes curriculum delivery and learner support across full-time, part-time, apprenticeship, Higher Education and community provision. The committee scrutinises key performance data, including the annual College Self-assessment Reports and monitors progress on quality improvement. It also seeks assurance on compliance with key legislation including Safeguarding and Additional Learning Needs and receives regular updates on Marketing and learner recruitment.

During 2024-25, the Curriculum & Quality Committee consisted of 11 members, including the Teaching Staff Governor and three Student Governors. All meetings were attended by relevant members of the Corporate and Senior Leadership Teams. The committee met four times during 2024-25.

Finance & Resources Committee

The Finance & Resources Committee advises the Board and monitors performance in relation to financial management, human resources, ICT and estates matters. It also monitors progress on major capital projects and seeks assurance around compliance with key legislation, including Health & Safety, Data Protection and Equality.

The committee comprises seven members, including the Business Support Staff Governor and the Chair of the Corporation. No members of the Audit Committee serve on the Finance & Resources Committee. The committee met four times during 2024-25 and all meetings were attended by relevant members of the Corporate and Senior Leadership Teams.

Governance & Membership Committee

The Governance & Membership Committee advises the Board on its composition and matters relating to Corporation membership including recruitment, appointment and re-appointment of members. It also monitors and advises the Board on Governor attendance, development and succession planning, as well as wider governance matters including the implementation of Medr.

During 2024-25 the Governance & Membership committee met six times and recommended the appointment of two new independent Governors, one Student Governor and one External Member of the Audit Committee.

Remuneration Committee

This advisory committee is comprised of four independent Governors, including the Corporation Chair who also chairs the committee. The Remuneration Committee considers and makes recommendations to the Board on, the salaries, terms and conditions and performance of the five Senior Post Holders (the Principal, three Vice Principals and the

Governance Officer). Relevant information about the remuneration of the Senior Post Holders is set out in Note 7 to the financial statements.

In considering Senior Post Holder pay, the committee takes into consideration performance, relevant benchmarking data and any recent sector staff pay award. The committee met twice during 2024-25. Following the second meeting, a recommendation was made to apply a pay award for all Senior Post Holders in line with that granted to staff (i.e. 5.5% backdated to 01/08/24). This recommendation was subsequently approved by the Board at its March 2025 meeting.

Audit Committee

The Audit Committee comprises four independent Governors and a minimum of two External Members. A number of committee members have direct experience and expertise in accounting, audit, internal control or risk management. Membership of the Audit Committee excludes the Principal/Chief Executive and Chair of Governors. Additionally, Staff and Student Governors, and members of the Finance & Resources Committee cannot serve on the committee. The Principal/Chief Executive and Vice Principal (Resources & Planning) attend all meetings of the committee by invitation, along with the Director of Finance. The committee operates in accordance with written terms of reference approved by the Board. These Terms of Reference reflect the requirements of the Memorandum of Financial Understanding between Welsh Government and FE Colleges and the best practice set out in the Welsh Government FE Audit Code of Practice.

The Audit Committee meets a minimum of once per term and met five times in 2024-25. Overall attendance for the year was 90%:

Member	26.11.24	03.03.25	17.03.25	06.05.25	01.07.25	Total	
Mr C Freegard OBE (Chair)	✓	✓	✓	✓	✓	5 of 5	
Mr M Bin-Sufyan	✓	✓	✓	✓		4 of 5	
Mr J Bird		✓	✓		✓	3 of 4	Appointed January 2025
Mr A Johns		✓	✓	✓	✓	4 of 4	Appointed January 2025
Mrs S Ball	✓					1 of 1	Seconded for 1 One meeting only pending recruitment
Mr J Phelps	✓					1 of 1	Moved to Curriculum & Quality Committee Jan 2025
Mr R Brown	✓	✓	✓	✓	✓	5 of 5	
Mrs F Chohan-Solanki	✓		✓	✓	✓	4 of 5	
Possible attendees	6	6	6	6	6	30	
Actual attendees	6	5	6	5	5	27	
Attendance %	100%	83%	100%	83%	83%	90%	

Meetings of the Audit Committee provide a forum for reporting by the College's internal and external auditors. Both sets of auditors have direct access to members of the committee and private discussions (excluding College management and the Governance Officer) take place between the auditors and the committee as a minimum, annually.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the College's internal auditors undertake periodic follow up reviews to ensure that all recommendations have been implemented. The Audit Committee receives an update on progress in implementing audit recommendations at each meeting.

The Audit Committee advises the Board on the appointment of internal and external auditors and their remuneration for both audit and non-audit work. Both contracts are awarded through an appropriate competitive tender exercise. In the case of internal audit, TIAA were last appointed on a three-year contract in 2022. The 2024-25 academic year was the final year of that contract. A new tender process for both internal and external audit contracts was completed in early 2025. On the recommendation of the Audit Committee, the Board subsequently approved the appointment of RSM LLP as the college's new internal auditors from September 2025 on a three-year contract and Cooper Parry Group Ltd. as external auditors, also on a three-year contract.

The College has a robust risk management framework. The Board engages in discussion of key risks as a minimum, annually prior to approving the Corporate Risk Register. Detailed discussions of the Risk Register took place at both the July and October 2024 Board meetings. The Audit Committee subsequently reviewed an update against the identified key risk areas at each of its meetings. The Board also engages in regular discussion around key and emerging risks and is kept up to date with college and sector developments through regular reports from the Principal/Chief Executive. Reports presented to the Board by management include an analysis of the risk level and implications associated with the matter to be discussed.

Internal Control

Scope of responsibility

The Board is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, the Board recognises that 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 Board has delegated the day-to-day responsibility for maintaining a sound system of internal control to the Principal/Chief Executive as Accounting Officer. The Principal/Chief Executive ensures that the system of control continues to support the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Welsh Government and Coleg Gwent. The Principal/Chief Executive is also responsible for ensuring the timely reporting to the Corporation of 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, the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Gwent 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 Board 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 Board is of the view that for the year ending 31 July 2025 there has been an appropriate, formal ongoing process for identifying, evaluating and managing the College's significant risks.

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 Board and the Finance & Resources Committee of periodic and annual financial reports, which indicate the financial performance of the College and its component parts against forecasts
- Setting Key Performance Indicators to measure financial and other performance
- A Monitoring Group meets on a regular basis to monitor performance against Key Performance Indicators and agree remedial actions where necessary
- Clearly defined capital investment control guidelines
- The adoption of formal project management disciplines (where appropriate)
- Reports on progress in monitoring risk, based on the risk register, provided to the Audit Committee at each of its meetings.

The Internal Audit service was provided for the College by TIAA Ltd. During 2024-25 this met the requirements of Medr. The work of the internal audit service is informed by an analysis of the risks to which the institution is exposed, and the annual internal audit plan is based on this analysis. The analysis of risks and the internal audit plan are endorsed by the Board on the recommendation of the Audit Committee. The Internal Auditor provides the Board with an Annual Report on its activity in the College. This report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Principal/Chief Executive 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 other members of the College’s Corporate Leadership Team who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the College’s external auditors and Welsh Government auditors in their management letters and other reports.

The Principal/Chief Executive has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Corporate 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 each department and reinforced by risk awareness training. The Corporate Leadership Team and the Audit Committee also receive regular reports from internal audit, 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 and any response to recommendations made by the internal auditor. Each Audit Committee agenda includes an item for consideration of risk and control. This includes a progress update on the implementation of any recommendations made by the Internal Audit service. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Board carried out the annual assessment for 2024-25 by considering documentation from the Corporate Leadership Team, internal and external audit, the Audit Committee and the Governance Officer.

The Audit Committee has provided an Annual Report to the Board detailing its work during the year. This informed its assurance statement to the Corporation on the effectiveness of the College Risk Management, Corporate Governance and Internal Control structures. In its report presented to the Board meeting on 9 December 2025, the Audit Committee confirmed its opinion that based on its own work and that of the audit services, it is content that Coleg Gwent’s risk management, control and corporate governance processes, along with its internal systems, controls and checks, are effective and adequate to enable the college to meet its objectives, as far as can be reasonably determined. The committee noted that such assurances can never be absolute.

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Financial Statements.

Signature:- _____

Susan Ball
Chair of Governors

Date:-

Signature:- _____

Nicola Gamlin
Principal/Chief Executive

Date:-



STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

Within the terms and conditions of the Financial Memorandum between Welsh Government/Medr and the Corporation of the College, the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles, and which give a true and fair view of the state of affairs of the College and its surplus/deficit of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

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

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

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Medr and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from Medr, and any other public funds, are used only in accordance with the Financial Memorandum issued by the Welsh Government and any other conditions that may be prescribed from time to time by Medr or any other public funder. On behalf of the governing body, 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 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 economical, efficient and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from Medr and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by:

Susan Ball
Chair of Governors
Date:-

Report of the Independent Auditors to the Governing Body of Coleg Gwent Opinion

We have audited the financial statements of Coleg Gwent (the ‘College’) for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income the Balance Sheet, the Statement of Changes in Reserves, Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), 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 its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters required by the Further Education Audit Code of Practice issued by the Welsh Government

We are required to report on the following matters under the Further Education Audit Code of Practice 2015 (effective 1 August 2014) (“the Audit Code of Practice”) issued by the Welsh Government under the Learning and Skills Act 2000. The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice and Financial Memorandum Management Code issued by the Welsh Government remain in place at the date of our report. In view of this transfer, any reference to Medr in our report should be read as also referring to the Welsh Government.

In our opinion, in all material respects:

- monies expended out of Welsh Government grants, including those remitted by Medr, and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;
- funding received from the Welsh Government and Medr (and other bodies and restricted funds where appropriate) has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of Medr’s 2024/25 Accounts Direction.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

We have nothing to report in respect of the following matters where the Further Education Audit Code of Practice issued by the Welsh Government by reference to the Accounts Direction 2024/25 requires us to report to you if, in our opinion:

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

Responsibilities of the Members of the Governing Body of the College

As more fully explained in the Statement of Responsibilities of the Members of the Governing Body set out on page 31, the Governing Body 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 Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body 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 Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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

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:

We obtained an understanding of the legal and regulatory framework applicable to both the College itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Governing Body and management. The most significant were identified as the Further and Higher Education Act 1992, as a Welsh General College of Further Education; the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (FE/HE SORP 2019); and the College Accounts Direction 2024 to 2025.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Corporation and other management and inspection of regulatory and legal correspondence, if any.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements.

Our audit procedures included, but were not limited to:

- making enquires of management and the Governing Body as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries; and

- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the Members of the Governing Body, as a body, in accordance with the Financial Memorandum published by the Welsh Government and our engagement letter dated 27 June 2025. Our audit work has been undertaken so that we might state to the Members of the Governing Body, as a body, those matters we are required under our engagement letter dated 27 June 2025 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 Members of the Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Statement of Comprehensive Income for the year ended 31 July 2025
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INCOME	Note	2025 £'000	2024 £'000
WG grants	2	75,964	71,256
Tuition fees and education contracts	3	3,665	3,498
Other grants and contracts	4	-	305
Other income	5	4,280	3,322
Investment income	6	<u>2,014</u>	<u>1,272</u>
Total Income		<u>85,923</u>	<u>79,653</u>
EXPENDITURE			
Staffing costs	7	55,483	52,777
Staff restructuring costs	7	1,796	1,007
Other operating expenses	8	19,682	19,913
Depreciation and Amortisation	10	7,893	6,875
Interest and other finance costs	9	<u>132</u>	<u>157</u>
Total Expenditure		<u>84,986</u>	<u>80,729</u>
Surplus/(Deficit) before exceptional items		2,733	(69)
Staff restructuring costs		1,796	1,007
Surplus/(Deficit) before other gains and losses		937	(1,076)
Gain on disposal of assets		<u>7</u>	<u>3</u>
Surplus/(Deficit) for the year		944	(1,073)
Actuarial (loss)/gain in respect of pensions schemes	22	(15,590)	8,128
Total Comprehensive Income for the year (all unrestricted)		<u>(14,646)</u>	<u>7,055</u>

Statement of changes in reserves for the year ended 31 July 2025

	Income and expenditure account £'000	Restricted Reserves £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2023	43,869	64	4,752	48,685
Deficit for the year	(1,073)	-	-	(1,073)
Other comprehensive income	8,128	-	-	8,128
Balance at 31 July 2024	50,924	64	4,752	55,740
Surplus for the year	944	-	-	944
Other comprehensive income	(15,590)	-	-	(15,590)
	(14,646)	-	-	(14,646)
Balance at 31 July 2025	36,278	64	4,752	41,094

Balance Sheet as at 31 July 2025

	Note	College 2025 £'000	College 2024 £'000
Non-current Assets			
Tangible fixed assets	10	78,450	83,167
Intangible fixed assets	11	1,057	-
Endowment assets	13	-	64
Defined Benefit Pension Surplus	22	-	14,345
		79,507	97,576
Current Assets			
Stocks	14	2	2
Trade and other receivables	15	2,252	1,962
Short term deposits	15	20,000	21,000
Cash		5,923	6,462
		28,177	29,426
Less creditors - amounts falling due within one year	16	(12,054)	(14,353)
Net Current Assets		16,123	15,073
Total assets less current liabilities		95,630	112,649
Creditors - amounts falling due after more than one year	17	(53,538)	(54,824)
Net Assets before provisions		42,092	57,825
Provisions			
Other provisions	19	(998)	(2,085)
		(998)	(2,085)
Net Assets		41,094	55,740
Restricted reserves			
Income and expenditure reserve - endowment fund		64	64
Unrestricted Reserves			
Income and expenditure account		36,278	50,924
Revaluation reserve		4,752	4,752
Total reserves		41,094	55,740

The Financial Statements on pages 37 to 62 were approved by the Corporation on 9 December 2025 and were signed on its behalf by

.....
Ms S Ball
Chair

.....
Ms Nicola Gamlin
Principal/Chief Executive

.....
Mrs Lynda Astell
Vice Principal

Statement of cash flows for the year ended 31 July 2025
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	2025	2024
	£'000	£'000
<i>Cash flow from operating activities</i>		
Surplus/(Deficit) for the year before other gains and losses	944	(1,076)
<i>Adjustment for non-cash items</i>		
Depreciation	7,893	6,875
(Increase)/decrease in debtors	(290)	951
Decrease in creditors	(2,680)	(8,433)
Decrease in provisions	(1,087)	(90)
Pensions costs less contributions payable	(519)	(345)
Deferred capital grant release	(3,304)	(3,293)
<i>Adjustment for investing or financing activities</i>		
Investment income	(2,014)	(1,272)
Interest payable	132	157
(Profit) on sale of fixed assets	(7)	(3)
Net Cash flow generated from operating activities	<u>(932)</u>	<u>(6,529)</u>
<i>Cash flows used for investing activities</i>		
Result of sale of fixed assets	7	3
Investment income	1,133	989
Payments from/(to) short term demand deposits	1,000	(21,000)
Payments made to acquire fixed assets	(3,538)	(3,096)
Deferred grant received	2,247	2,950
Net cash flow used in investing activities	<u>849</u>	<u>(20,154)</u>
<i>Cash flows from financing activities</i>		
Interest paid	(135)	(157)
Repayment of amounts borrowed through loans	(321)	(303)
Net cash flow from financing activities	<u>(456)</u>	<u>(460)</u>
Decrease in cash and cash equivalents in the year	<u>(539)</u>	<u>(27,143)</u>
Cash and cash equivalents at the beginning of the year	6,462	33,605
Cash and cash equivalents at the end of the year	5,923	6,462

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of preparation

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

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets and the Defined Benefit Pension.

Basis of consolidation

The College’s subsidiaries are set out in note 11, and all are currently dormant. The activities of the student union have not been consolidated because the College does not control those activities. As such, the consolidated and parent financial statements of the Corporation are the same.

Going Concern

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

The College currently has £2.2m of loans (2024: £2.5m) outstanding with bankers on terms negotiated at various dates. The College’s forecasts and financial projections indicate that it will be able to operate within this existing facility for the foreseeable future. There are no covenants associated with these loans.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Welsh Government and Medr 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 recognised in the period to which they relate. Where there is the possibility of grant being clawed back for under-delivery or any other reason this is provided for until such time that Welsh Government or Medr confirm whether a clawback will take place.

Other Welsh Government or Medr revenue grants are either recognised over the time period to which they relate or in line with the expenditure that the grant is funding.

Income received in advance of expenditure is recognised as deferred income within creditors on the balance sheet and released to income as the expenditure is incurred or the other related performance conditions occur.

Capital grant funding

All 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.

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. For Higher Education Fee Income the College receives the full tuition fees but is required to pay the partner Universities a top-slice of the tuition fees. The College recognises their tuition fee income net of that top-slice.

Other income

Other income includes income from College events, the College catering facilities, hair salons, renting out of College premises and other miscellaneous transactions. This income is recognised at the point of sale or when the event it relates to takes place.

Investment income

Interest income on the College's bank accounts, short term investments and the net interest on the defined pension scheme are recognised on the accruals basis in the period to which they relate.

Agency arrangements

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

Accounting for post-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.

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses. Where the value of pension assets are greater than the pension liability a pension surplus is recognised only where there is certainty around the ability of the College to recover the surplus through reduced contributions in the future. The actuary's Asset Ceiling Report at 31 July 2025 forecasts that the current expected future contributions are lower than the current expected future service charge over the life of the pension and therefore no asset can be recognised. The asset has therefore been removed from the balance sheet by an adjustment through other comprehensive income.

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's SOCI in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

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.

A review for impairment indicators is carried out annually, if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable then an impairment assessment is carried out.

Land and buildings

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

- Buildings acquired pre-August 2002 - 25 years
- Buildings acquired post August 2002 - 50 years
- Mechanical and Electrical Infrastructure - 25 years
- Refurbishments - 10 years

Freehold land is not depreciated (unless subject to a long lease).

Freehold buildings are depreciated over their expected useful economic life to the College of between 25 and 50 years. The College has a policy of depreciating major modifications to buildings over the period of their useful economic life of between 25 and 50 years.

Mechanical and Electrical Infrastructure are included in the notes to the accounts as fixtures and fittings.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of

the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993 on incorporation, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the SOCI in the financial year 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 £5,000 per individual item is recognised as expenditure in the financial year of acquisition. All other equipment is capitalised at cost.

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

- technical equipment 5 years
- motor vehicles 5 years
- computer equipment 4 years
- furniture, fixtures and fittings 10 years

Intangible fixed assets

Intangible fixed assets consists of computer software licenses. These are capitalised at the point of purchase and amortised over the length of the software license.

Bank Loans and Interest Payable

Loans are recognised at the amount received, interest payable is recognised on an accruals basis over the life of the loan.

Leased assets

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

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases. Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under Finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Investments in subsidiaries

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

Inventories

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

Short term deposits

Short term deposits consist of fixed term investments with commercial banks for a duration of 3 to 12 months. These are recognised at the value of the deposit. Interest is recognised on an accruals basis over the life of the deposit.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

All loans, investments and short-term deposits held by the 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.

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover a small proportion 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 financial year it arises.

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has made the following judgement:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined surplus or deficit benefit 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension surplus. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension surplus.

- Recognition of pension surplus

In considering the plan surplus associated with the pension scheme, the college has not recognised an accounting surplus as it is not satisfied that it will receive future reductions in service costs as a result of the net surplus position.

2. WG GRANTS

	2025 £'000	2024 £'000
Recurrent Grants		
WG Recurrent Grant	61,266	57,053
Work Based Learning	2,385	2,247
Release of WG Deferred Capital Grants	2,665	2,654
Other specific grants	9,648	9,302
Total	<u><u>75,964</u></u>	<u><u>71,256</u></u>

During the 2024/25 financial year the College received £1,100k (2023/24: £1,140k) from the Welsh Government as earmarked Learner Support Funds (LSF). The funds were administered in accordance with the terms and conditions specified by the Welsh Government and are not recorded in the College's income and expenditure account. The detail of this grant is shown in Note 24.

3. TUITION FEES & EDUCATION CONTRACTS

	2025 £'000	2024 £'000
Fees - Further Education	651	595
Fees - Higher Education	2,955	2,703
Total tuition fees	<u>3,606</u>	<u>3,298</u>
LEA Contracts	<u>59</u>	<u>200</u>
Total	<u><u>3,665</u></u>	<u><u>3,498</u></u>

4. OTHER GRANTS & CONTRACTS

	2025 £'000	2024 £'000
European Grants	-	305
Total	<u><u>-</u></u>	<u><u>305</u></u>

5. OTHER INCOME

	2025 £'000	2024 £'000
Catering	37	40
Other income generating activities	2,263	879
Release other deferred capital grants - non WG	639	639
Miscellaneous income	1,341	1,764
Total	<u>4,280</u>	<u>3,322</u>

6. INVESTMENT INCOME

	2025 £'000	2024 £'000
Bank interest receivable	1,288	989
Net interest receivable on pension	726	-
Total	<u>2,014</u>	<u>989</u>

7. STAFFING COSTS

Numbers of staff

The average number of persons (including key management personnel) employed by the college during the year, described as head count, was:

	2025 No.	2024 No.
Teaching staff	563	584
Non-teaching staff	653	664
Total	<u>1,216</u>	<u>1,248</u>

	2025 £'000	2024 £'000
Staff costs for the above persons		
Wages and salaries	40,697	40,242
Social security costs	4,644	3,956
Other pension costs	9,167	8,558
Movement in holiday pay	975	21
	55,484	52,777
Exceptional staff redundancy costs	1,796	1,007
	<u>57,280</u>	<u>53,784</u>

STAFFING COSTS - (Continued)**Employment costs by employee type**

	2025 £'000	2024 £'000
Teaching departments	31,248	29,893
Teaching support services	7,861	7,373
Administration and central services	15,033	14,892
Premises	812	660
Exceptional staff redundancy costs	1,796	1,007
Enhanced pension provision movement	(111)	99
Apprenticeship levy	185	184
FRS102 service charge less contributions	(519)	(345)
Holiday pay accrual movement	<u>975</u>	<u>21</u>
Total	<u>57,280</u>	<u>53,784</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 College Senior Leadership Team (SLT) which comprises of the Principal, Deputy Principal, Vice Principals, Assistant Principals and Directors.

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

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

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was:	12.62	13.33

STAFFING COSTS - (Continued)

Key management personnel compensation is made up as follows:

	2025	2024
	£'000	£'000
Salaries	1,241	1,255
Car Allowance	31	18
Health Scheme	9	8
Pension contributions	348	281
Total Emoluments	<u>1,628</u>	<u>1,562</u>

The compensation above includes amounts payable to the Principals in position in year. The principal is the accounting officer and also the highest paid member of staff. Prior to becoming Principal, Nicola was employed by the College and her remuneration over all roles is disclosed. Their pay and remuneration are as follows:

Guy Lacey Accounting Officer until 6 September 2024

	2025	2024
	£'000	£'000
Salary	19	191
Pension contributions	4	38
Total Emoluments	<u>23</u>	<u>229</u>

Nicola Gamlin Accounting Officer from 6 September 2024

	2025	2024
	£'000	£'000
Salary	165	123
Pension contributions	45	31
Total Emoluments	<u>210</u>	<u>154</u>

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

	2025	2024
Principal's basic salary as a multiple of the median of all staff	3.94	4.46
Principal's total remuneration as a multiple of the median of all staff	4.45	4.71

The 2025 figures are based on the Gender Pay Gap report for March 2025 and does not include agency staff. The College currently contracts out the cleaning and catering services of the College therefore these staffing costs are also omitted from the calculation.

STAFFING COSTS - (Continued)

No compensation for loss of office was paid to former key management personnel.

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.

Higher Paid Staff

The number of staff whose emoluments received in the year (excluding pension costs) exceed £60,000 is disclosed below:

	2025	2024
	No.	No.
£60,001 to £65,000 per annum	5	27
£65,001 to £70,000 per annum	29	1.58
£70,001 to £75,000 per annum	6	5.66
£75,001 to £80,000 per annum	3	0.34
£80,001 to £85,000 per annum	5	7
£85,001 to £90,000 per annum	5	0.75
£90,001 to £95,000 per annum	3	-
£100,001 to £105,000 per annum	1	-
£105,001 to £110,000 per annum	1	-
£120,001 to £125,000 per annum	-	1
£125,001 to £130,000 per annum	-	1
£135,001 to £140,000 per annum	1	-
£165,001 to £170,000 per annum	1	-
£185,001 to £190,000 per annum	-	1
Total	60	45.33

Severance payments

Severance payments in the year totalled £1,378k (2024: £1,007k). The value of contractual payments was £746k and the value of non-contractual payments was £632k. All severance payments were approved by the Board. The remainder of the staff restructuring costs consist of pay in lieu of notice of £104k and pension strain costs of £314k.

The College paid 107 severance payments in the year, disclosed in the following bands:

£0 - £25,000	95
£25,001 - £50,000	12

STAFFING COSTS - (Continued)

Included in staff restructuring costs are non-contractual elements of the severance payments totalling £632k. Individually the payments were: £126.96, £149.84, £205.46, £706.17, £706.17, £753.07, £864.17, £1,060.59, £1,126.85, £1,158.52, £1,301.30, £1,614.11, £1,742.15, £2,024.31, £2,024.31, £2,121.17, £2,247.75, £2,361.70, £2,361.70, £2,536.32, £2,600.88, £2,651.47, £2,680.73, £2,962.30, £3,117.76, £3,383.79, £3,472.20, £3,631.74, £3,665.26, £3,764.76, £3,977.20, £4,048.62, £4,154.88, £4,555.11, £4,643.20, £4,643.20, £4,643.20, £4,705.95, £4,723.39, £4,723.39, £4,723.39, £4,723.39, £4,723.39, £4,723.39, £4,815.40, £4,815.40, £4,993.30, £4,993.30, £4,993.30, £4,993.30, £5,060.78, £5,060.78, £5,229.12, £5,236.08, £5,326.08, £5,387.53, £5,462.92, £5,499.00, £5,499.00, £5,726.42, £5,740.70, £5,937.98, £5,972.20, £5,972.20, £5,991.96, £6,019.25, £6,072.93, £6,072.93, £6,072.93, £6,072.93, £6,354.53, £6,851.80, £6,851.80, £6,851.80, £6,851.80, £6,902.06, £7,027.55, £7,093.55, £7,422.47, £7,422.47, £7,489.95, £7,500.00, £7,529.52, £7,704.64, £7,749.40, £7,808.56, £7,808.76, £8,097.24, £8,594.60, £8,784.60, £9,098.16, £9,286.40, £9,286.40, £9,784.17, £9,784.17, £9,986.60, £9,986.60, £9,986.60, £9,986.60, £10,063.80, £10,393.20, £10,408.00, £10,722.00, £12,483.25, £20,479.33, £25,000, £25,000

8. OTHER OPERATING EXPENSES

	2025 £'000	2024 £'000
Teaching department costs	1,137	1,142
Other support services	110	117
Administration and central services	6,568	5,826
General Education	2,320	2,191
Premises and maintenance costs	6,292	7,001
Franchise provision	1,271	1,199
Payment to Partners	527	270
Catering operations	206	256
Usk Estates	35	13
Transport	791	956
	<u>19,257</u>	<u>18,971</u>
Auditors' Remuneration - (All audit fees are gross of VAT)		
Financial Statement	56	46
Other Services	14	14
Internal Audit	50	57
Hire of assets under operational leases - non-property assets	305	825
	<u>19,682</u>	<u>19,913</u>

9. INTEREST & OTHER FINANCE COSTS

	2025	2024
	£'000	£'000
Banks loans, overdrafts and other loans	<u>132</u>	<u>157</u>
	<u>132</u>	<u>157</u>

10. TANGIBLE FIXED ASSETS

Land and buildings were valued in 1993 by the District Valuer, Newport, on the basis of Open Market Value for the Existing Use, or in the case of specialised buildings, on the basis of Depreciated Replacement Cost, for incorporation within the balance sheet. The valuation, as at 1 April 1993, amounted to £29,885,000 of which £23,212,000 related to buildings and £6,673,000 related to land.

As inherited land and buildings were transferred from the Local Education Authority to the College under the terms of Further and Higher Education Act 1992 at £nil cost, if they had not been valued they would have been included in the financial statements at a historic cost of £nil. Should these assets be sold, the College would either have to surrender the sale proceeds to the Welsh Government or use them in accordance with the Financial Memorandum issued by the Welsh Government.

Donated land and buildings were valued on 21 July 2012 (Blaenau Gwent Learning Zone) and 27 August 2020 (Torfaen Learning Zone) by Cooke & Arkwright and have been depreciated during the year in line with the College's depreciation policy.

	Freehold and Long Leasehold		Fixtures, Fittings and other Equipment	Assets in the course of construction	Total
	Land	Buildings	£'000	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2024	7,193	88,893	54,828	2,396	153,310
Additions	-	-	-	3,024	3,024
Disposals	-	-	(3,784)	-	(3,784)
Transfers	-	507	1,190	(1,697)	-
<i>At 31 July 2025</i>	<u>7,193</u>	<u>89,400</u>	<u>52,234</u>	<u>3,723</u>	<u>152,550</u>
Accumulated Depreciation					
At 1 August 2024	402	40,248	29,493	-	70,143
Charges for year	12	1,341	6,388	-	7,741
Disposals	-	-	(3,784)	-	(3,784)
Reclassifications	(339)	225	114	-	-
<i>At 31 July 2025</i>	<u>75</u>	<u>41,814</u>	<u>32,211</u>	<u>-</u>	<u>74,100</u>
Net Book Value at 31 July 2025	<u>7,118</u>	<u>47,586</u>	<u>20,023</u>	<u>3,723</u>	<u>78,450</u>
Net Book Value at 31 July 2024	<u>6,791</u>	<u>48,645</u>	<u>25,335</u>	<u>2,396</u>	<u>83,167</u>

11. Intangible Fixed Assets

	Software Licenses £'000	Total £'000
Cost or valuation		
At 1 August 2024	-	-
Additions	1,209	1,209
Disposals	-	-
<i>At 31 July 2025</i>	<u>1,209</u>	<u>1,209</u>
Accumulated Amortisation		
At 1 August 2024	-	-
Charges for year	152	152
Disposals	-	-
<i>At 31 July 2025</i>	<u>152</u>	<u>152</u>
Net Book Value at 31 July 2025	<u>1,057</u>	<u>1,057</u>

12. NON-CURRENT INVESTMENTS

Coleg Gwent Catering Ltd is a dormant subsidiary of Coleg Gwent. The registered address for this subsidiary is: - The Rhadyr, Usk, Monmouth, NP15 1X. Coleg Gwent Enterprises Limited was a dormant subsidiary of the College, it was dissolved on 17 June 2025.

Coleg Gwent has two subsidiary charities, these are the *National Union of Mineworkers Marine Lodge Trust Fund (in Connexion with North Monmouthshire College of Further Education (525618))* and the *William Evans Prize Fund (in Connexion with Monmouthshire College of Agriculture, USK) (525619)*. Both charities are dormant. These Charities are planning to spend their remaining charitable funds in 2025/26 at which point the College will close both charities.

13. ENDOWMENT ASSETS

	2025 £'000	2024 £'000
Cash Balances	<u>-</u>	<u>64</u>
Total	<u>-</u>	<u>64</u>

14. STOCKS

	2025 £'000	2024 £'000
Refectory & bar stock	<u>2</u>	<u>2</u>
Total	<u>2</u>	<u>2</u>

15. TRADE & OTHER RECEIVABLES

	2025 £'000	2024 £'000
Amounts falling due within one year		
Trade receivables	270	270
Short term demand deposits	20,000	21,000
Prepayments	920	658
Accrued income	<u>1,062</u>	<u>808</u>
Total	<u>22,252</u>	<u>22,962</u>

16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Amounts falling due within one year		
Bank loans (refer to note 18)	341	321
Trade payables	363	72
Other payables	2,377	2,056
Accruals	4,380	2,686
Deferred income	1,485	5,998
Government grants received in advance - Deferred Capital	<u>3,108</u>	<u>3,220</u>
Total	<u>12,054</u>	<u>14,353</u>

17. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Bank loans	1,853	2,194
Deferred income - government grants	51,685	52,630
Total	53,538	54,824

18. MATURITY OF DEBT - BANK LOANS & OVERDRAFTS

Bank loans are repayable as follows:

	2025 £'000	2024 £'000
Bank loans due within one year	341	321
Between one and two years	361	341
Between two and five years	790	972
In five years or more	702	881
Total	2,194	2,515

The College has three fully drawn down facilities as follows:

Bank	Loan Amount £k	Security	Interest rate	Payment schedule
National Westminster	1,125	Newport Library	Based on SONIA calculated daily	96 quarterly instalments ending Aug 2028
National Westminster	1,800	Crosskeys Art Block	Based on SONIA calculated daily	96 quarterly instalments ending Aug 2028
Lloyds TSB	2,900	Unsecured	5.584%	92 quarterly instalments ending Jan 2034

19. OTHER PROVISIONS

	Pontypool Closure Provision £'000	Enhanced Pension Provision £'000	Holiday pay provision £'000	Total £'000
At 1 August 2024	184	1,213	688	2,085
Additions in year	-	-	-	-
Transferred to accruals in year	-	-	(688)	(688)
Released to the SoCI in year	(142)	(257)	-	(285)
Total	42	956	-	998

The Pontypool Closure Provision relates to the closure of the Pontypool Campus where the decision to close was taken in May 2023. The provision has been made for the remainder of the costs that will be charged in the 25/26 financial year.

The enhanced pension provision relates to the cost of staff who have already left the College's employment and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date.

The principal assumptions for this calculation are:

	2025	2024
Price Inflation	2.7%	2.8%
Discount Rate	5.5%	4.8%

20. CAPITAL & OTHER COMMITMENTS

	2025 £'000	2024 £'000
Commitments contracted at 31 July	<u>1,086</u>	<u>2,309</u>
Total	<u>1,086</u>	<u>2,309</u>

21. LEASE OBLIGATIONS

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

	2025 £'000	2024 £'000
Other (not land and buildings)		
Not later than one year	312	308
Later than one year and not later than five years	810	1,106
More than five years	-	15
Total	<u>1,122</u>	<u>1,429</u>

22. DEFINED BENEFIT PENSION OBLIGATIONS

The College's employees belong to two principal pension schemes: 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 Torfaen Borough Council. Both are defined-benefit schemes.

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

Total Pension Cost for the year

	2025 £'000	2024 £'000
Teachers' Pension Scheme Contributions	6,305	5,568
Local Government Pension Scheme Contributions		
Contributions paid	3,492	3,258
Movement in accruals/LS adjustments	135	8
"FRS 102" (credit)/charge	(654)	(345)
Charge to Statement of Comprehensive Income	2,973	2,921
Enhanced Pension charge to the Income and Expenditure Account	(111)	98
Total pensions charge	<u>9,167</u>	<u>8,587</u>

Teachers' Pension Scheme (TPS)

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 and other educational establishments, including Colleges. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS'

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

Under the definitions set out in 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 accounts for its contributions to the scheme as if it were a defined-contribution plan.

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs and this grant continues to be received.

DEFINED BENEFIT PENSION OBLIGATIONS (CONTINUED)

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 £6,305k (2024 £5,568k)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Torfaen Unitary Authority. The total contributions made for the year ended 31 July 2024 were £4,516k, of which employer's contributions totalled £3,492k and employees' contributions totalled £1,024k. The agreed contribution rates for future years are 19.8% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Virgin Media Limited legal case

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. This High Court ruling was appealed and in July 2024 the Court of Appeal unanimously upheld the High Court's ruling. The Department for Work and Pensions were asked by pension bodies to look at pragmatic solutions where scheme are unable to evidence historic section 37 confirmation. The government responded on 5 June 2025 that it will introduce legislation to address the issues arising from the June 2023 legal judgement. The government notes that the "legislation will give affected pensions schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards" and that "scheme obligations will otherwise be unaffected". As such, no adjustments to reflect the impact of the ruling have been made in these financial statements.

Principal Actuarial Assumptions

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

	At 31 July 2025 %	At 31 July 2024 %
Rate of increase in salaries	3.25	3.25
Discount rate for scheme liabilities	5.80	5.00
Inflation assumption (CPI)	2.75	2.75

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

	2025	2024
<i>Retiring today</i>	%	%
Males	20.8	20.6
Females	23.4	23.4
<i>Retiring in 20 years</i>	2024	2024
	%	%
Males	21.4	21.2
Females	25.0	25.0

DEFINED BENEFIT PENSION OBLIGATIONS (CONTINUED)

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

	2025	2024
	£'000	£'000
Fair value of plan assets	119,251	106,867
Present value of plan liabilities	(84,196)	(92,509)
Asset Ceiling Limitation	(35,055)	-
Net Pensions Surplus / (Liability)	<u>-</u>	<u>14,358</u>

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

	2025	2024
	£'000	£'000
Amounts included in staff costs		
Current service cost	2,753	2,913
Past service cost	220	-
Total	<u>2,973</u>	<u>2,913</u>

	2025	2024
	£'000	£'000
Amounts included in finance income/cost		
Net interest income	726	283
Total	<u>726</u>	<u>283</u>

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

	2025	2024
	£'000	£'000
Amount Recognised in Other Comprehensive Income		
Return on pension plan assets	(5,146)	(6,900)
Experience gains arising on defined benefit obligations	(825)	2,748
Change in financial assumptions	(13,891)	(3,790)
Changes in assumptions underlying the present value of plan liabilities	397	(186)
Restriction for asset ceiling	35,055	-
Amount Recognised in Other Comprehensive Expenditure/(Income)	<u>15,590</u>	<u>(8,128)</u>
Movement in net defined benefit asset during year		
Net defined benefit asset in scheme at 1 August	14,345	5,589
Movement in year;		
Past service cost	(220)	-
Current service cost	(2,753)	(2,913)
Employer contributions	3,492	3,258
Net interest on the defined asset/(liability)	726	283
Actuarial gain	19,465	8,128
Asset Ceiling Limit	(35,055)	-
Net Defined benefit Surplus at 31 July	<u>-</u>	<u>14,345</u>

DEFINED BENEFIT PENSION OBLIGATIONS (CONTINUED)

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

Defined benefit obligations at start of period	(92,522)	(88,197)
Past service cost	(220)	-
Current service cost	(2,753)	(2,913)
Interest cost	(4,659)	(4,488)
Contribution by scheme participants	(1,024)	(1,017)
Benefits paid	2,663	2,865
Changes financial assumptions	13,891	3,790
Changes in demographic assumptions	(397)	186
Other experience	825	(2,748)
Defined benefit obligations at the end of period	(84,196)	(92,522)
Fair value of plan assets at start of period	106,867	93,786
Interest on plan assets	5,385	4,771
Return on plan assets	5,146	6,900
Employer contribution	3,492	3,258
Contributions by scheme participants	1,024	1,017
Other Experiences	-	-
Benefits paid	(2,663)	(2,865)
Fair value of plan assets at end of period	119,251	106,867

23. RELATED PARTY TRANSACTIONS

The total expenses paid to or on behalf of the Governors during the year was £649.35. (2024 £745.00). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2024 £nil).

24. AMOUNTS DISBURSED AS AGENT

	2025 £'000	2024 £'000
Balance brought forward	2	54
Funding body grants - discretionary learner support	<u>1,100</u>	<u>1,140</u>
	1,102	1,194
Disbursed to students	(1,069)	(1,158)
Administration costs	<u>(33)</u>	<u>(34)</u>
Balance as at 31 July, included in creditors	<u><u>-</u></u>	<u><u>2</u></u>

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