



Cambridge Regional College
Annual Report and Financial Statements
Year Ended 31 July 2025

Cambridge Regional College

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Cambridge Regional College

Reference and Administrative Details

Board of Governors

A full list of governors is given on pages 26-27 of these financial statements. Ms E Baldwin acted as Clerk to the Corporation throughout the period.

Senior management team

Mark Robertson	Principal, Chief Executive and Accounting Officer
Stephen Jones	Deputy Principal, Finance and Resources
Kate da Costa	Deputy Principal, Curriculum Development
Corrin Hoyes	Deputy Principal, Quality and Student Services
Laura Kerry	Vice Principal, People and Commercial Operations
Dan Burns	Assistant Principal Curriculum (until 12 August 2025)
John Guiney	Assistant Principal Curriculum (from 9 August 2024)
Jeremy Lloyd	Assistant Principal Supported Learning and DSL
Matthew Charlton	Assistant Principal Curriculum (from 1 August 2025)

Principal and registered office: Cambridge Campus, Kings Hedges Road,
Cambridge CB4 2QT

Professional advisors

External auditors	Forvis Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS
Solicitors	Eversheds Sutherland LLP, 1 Wood Street, London EC2V 7WS
Bankers	Santander UK plc, 2 Triton Square, Regents Place, London, NW1 3AN

CAMBRIDGE REGIONAL COLLEGE

Strategic report

NATURE, OBJECTIVES AND STRATEGY

The Governing Body presents its annual report together with the financial statements and auditor's report for the Corporation of Cambridge Regional College for the year ended 31 July 2025.

Legal status

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

Mission

Governors review the College's mission and vision on an annual basis; for the 2024/25 year, our mission was "To transform lives and create prosperity by delivering technical and professional education that meets the needs of students, employers and communities in Cambridgeshire and the surrounding area" and our vision was "To be outstanding in enabling students to excel and for serving employers and communities".

As part of the annual review process during the autumn of 2025, the Corporation changed the vision to "To be a leading college in working with others to serve our communities to enhance economic and social prosperity, and raise ambition." The mission remained unchanged.

Public benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 26-27. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to almost 13,000 students, of which around 600 students have high needs. The College provides education without charge to young people, to those who are unemployed and adults taking English and maths courses who have not previously attained specific levels of those qualifications. The College adjusts its courses to meet the needs of local employers and has provided training during the year to approximately 800 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

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

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

Education and Skills Funding Agency

Please note that on 31st March 2025 the Education and Skills Funding Agency (ESFA) ceased to exist and its responsibilities and functions were integrated into the Department for Education (DfE). Throughout this document references to the ESFA will therefore be shown as DfE regardless of whether something did formerly pertain to the ESFA.

Implementation of strategic plan

At the October 2024 Corporation meeting, governors reviewed and updated the strategic plan for the period to 2025/26. This strategic plan links to both the College's accommodation strategy and financial forecasts and sets out a number of annual objectives which are supported by a range of Key Performance Indicators (KPIs). These KPIs are agreed by the governors at the start of the academic year and reported against at each Corporation meeting.

The College's continuing strategic priorities are as follows:

1. Excellent student experience
2. Excellent employer engagement
3. Excellent staff performance and experience
4. Strong finances

The College has performed against these priorities during the reported year as follows:

1. Student satisfaction rates stood at 92% for young people and 95% for adult learners compared to 93% and 96% in 2023/24.
2. Employer satisfaction increased to 98% from 95% in 2023/24.
3. The staff satisfaction survey outcome for the statement "I would recommend the College as a good place to work" increased to 92.5% from 92% in 2023/24.
4. The College's DfE financial health grade for 2023/24 was confirmed during the year as being 'Outstanding' (from 'Requires Improvement') for a second year running. The financial performance during the 2024/25 year has moved to a "Good" grade due to the generation of a smaller surplus. Had the unforeseen national insurance increase been fully funded by the DfE along with in-year growth funding then the College would have had the opportunity to retain its "Outstanding" financial health status.

The College was graded as 'Good' following the Ofsted inspection of January 2023 and was graded 'Good' for overall effectiveness and received the following gradings by area:

- Quality of Education – GOOD
- Education programmes for young people – GOOD
- Adult learning programmes – GOOD
- Apprenticeships – GOOD
- Provision for learners with high needs – GOOD
- Behaviour and attitudes – GOOD
- Personal development – GOOD
- Leadership and management – GOOD
- Contribution to meeting skills needs – STRONG

Financial objectives

The financial objectives for the year were approved by the Corporation for 2024/25 in July 2024 and are stated below along with the outturn position in italics:

1. Achieve or out-perform the surplus revenue budget approved by Corporation for 24/25
Exceeded - the College generated an outturn operational surplus of £514k for 2024/25.
2. Ensure cash days exceed the FE Commissioner and DfE target of 25 days at any one time during the year.
Achieved - the cash balances remained in excess of 25 days at all points throughout the year and at the end of the year stood at 84 days. The College also remained above 40 days which is the new aspirational target set by the FE Commissioner on the 11th June 2025
3. Maintain a minimum DfE financial health grade of Good
Achieved - a financial health grade of Good was achieved.
4. Generate sufficient cash to service all debts and continue approved investment in infrastructure.
Achieved - all debts were serviced and investment in equipment essential to learning plus infrastructural investment was continued.
5. Fulfil all loan covenants in the absence of any extraordinary events beyond the College's control.
Achieved - all loan covenants satisfied.

KPIs financial

The College utilizes and reports upon a suite of KPIs which include financial KPIs that are reported monthly in the management accounts. These KPIs are reviewed at the start of the year to ensure they reflect good practice advised by both the DfE and the FE Commissioner's team and once agreed are included within each monthly financial report for governors. These KPIs along with the outturn positions for previous years are reproduced below.

Strategic Aim 4: Strong Finances (F&R)	2022/23 Outturn	2023/24 Outturn	2024/25 Target	2024/25 Outturn
Operating Surplus/(deficit) £'000	366	1,213	200	514
Adjusted current ratio	2.20	3.00	2.05	3.89
Borrowing as a % of income	13.06%	10.72%	10.51%	9.24%
Performance ratio % (EBITDA Education Specific)	6.51	7.78	5.00	5.40
Staff costs as % turnover (excludes capital grant)	69.1	67.6	71.1	72.6
Cash days in hand	82	97	82	84
Cash balance	7,867	9,277	7,824	8,065
Total Income	37,799	42,496	43,273	45,448
Debt Service cover ratio	3.32	6.23	4.35	4.73
Loan covenant compliance	Pass	Pass	Pass	Pass
Financial health grade	Outstanding	Outstanding	Good	Good

* The operating surplus figures above exclude pension adjustments relating to FRS102 which are included in the Statement of Comprehensive Income.

The College is required to complete the annual Finance Record each December and the College Financial Forecast Return (CFFR) in July of each year for the DfE. Each return generates a financial health grade based on a scoring system which looks at several aspects of the financial data for a college. In 2023/24 the College maintained its grade of "Outstanding", but due to the generation of a smaller surplus this year, the grade will change to "Good". The College still generated an operating surplus £314k (157%) larger than the £200k budgeted surplus which is an excellent achievement given some of the unforeseen impacts on budget during the year such as the reduced rate of funding of in-year growth funds and the unfunded element (20%) of National Insurance Employers cost increases.

Cash flow during the year saw continued grant funded investment on the College's infrastructure by the full use of the Further Education Reclassification Capital Allocation (FERCA) as well as self-funded investment renewing capital equipment to support teaching and learning. The College also completed the creation of a retrofit diagnostic training centre at its Huntingdon campus which was partially funded by Local Skills Improvement Funds (LSIF).

The College's strong financial performance ensures that healthy cash generation has been continued in order to support capital investment for future years.

As well as the financial objectives, additional KPIs are reviewed monthly by the Senior Management Team and regularly by governors.

FINANCIAL PERFORMANCE AND RESOURCES

Financial results

The financial target for 2024/25 was to deliver an operating surplus of £200k. The final operating surplus was £514k.

The generation of a surplus above planned levels was due to a number of variations against budget, both positive and negative. Overall the net position was a positive variance against budget which led to the outturn operational surplus of £514k. Information on the reasons behind the variations are set out in the relevant sections of this report.

Throughout the year, close scrutiny of income performance, staffing costs and non-pay costs has continued.

The College's largest funding allocation received is for 16-19 students and initially totaled £26.7m (of which £24.9m was core funding) which in student terms related to 3,360 students of which 3,287 were in funding bands 4, 5, 6 and 7 (considered to be full-time). Due to strong enrolment numbers, the College received exceptional in-year growth funding albeit at the reduced funding rate compared to previous years, which increased the funding to £27.4m (of which £25.5m was core funding) which in student terms related to 3,461 students of which 3,386 were in funding bands 4, 5, 6 and 7. Receipt of the additional funding at the reduced funding rate placed additional pressure on the College's finances as it did not fully cover the marginal costs associated with the additional students enrolled. The College estimates that whilst it received an additional £636k of growth funding, this figure would have been £954k had the growth funding been made at the equivalent rate received in previous years. The College also had its growth funding relating to the 2023/24 year reduced during 2024/25 by £308k due to a reduction in its student numbers by the time the final 2023/24 year end return was submitted.

The College continued to receive Adult Skills Funding (ASF) allocations including Free Courses for Jobs (FCFJ) funding from two funders; the DfE (non-devolved) and the Cambridgeshire and Peterborough Combined Authority (CPCA), known as devolved, which when added together totaled £5.6m. The DfE allocation also included £1k for 19-24 Traineeships.

During 2024/25, DfE and CPCA ASF and FCFJ funding arrangements confirmed that automatic funding of up to 10% above allocation would be provided and in each case of ASF, the College exceeded the allocation by over 10% and was able to draw down this additional funding. FCFJ for CPCA was oversubscribed and also funded 10% above allocation but the DfE FCFJ was not achieved and was therefore subject to some clawback. With all allocations and funding aggregated, the net outturn was £6.1m compared to a total allocation of £5.6m. Although the extra income was accompanied by additional costs, the increase received for ASF improved the surplus for the year helping to mitigate some of the lower than anticipated funding received for the 16-19 students.

Apprenticeship income performed better than the £2.9m budget with the full year at £2.969m. The number of students starting apprenticeships during 2024/25 fell below the budgeted level but on-programme and achievement funding relating to learners that started apprenticeships prior to 2024/25 exceeded budget plans due to stronger retention and improved achievement funding compared to the budget. Overall, total income for apprenticeships exceeded the levels achieved in 2023/24 which was £2.85m, contributing positively to the overall surplus for the year.

The College's engagement with employers has continued to be strong and this was reflected in the CRC employers' survey results where overall satisfaction reached 98% (response rate of 55%). The College Careers Fairs saw 60+ employers attend and there continues to be an increase in the number of employers in the region seeking to recruit students straight from their course at CRC.

A significant number of employers engaged in Employer Forums to help shape the curriculum and ensure that the College is delivering education to meet the regional skills needs. ARM, Hays Recruitment, Cambridge University Hospitals, Baxi, Vindis and Mantles (GMG) work with the College as Strategic Partners and discussions are underway to build on this number.

After a couple of years of modest income growth, the International Department income reduced in 2024/25 and was lower than budget. This reduced level of income was due in part to global uncertainty and some international markets putting a freeze on funding travel for study. Significant internal growth also restricted the capacity for international students as the priority is for local students. Summer school saw the return of some international markets and repeat business is already secured for 2025/26. The budget for 2025/26 reflects a similar expectation for international fees and a revised strategy is in place to target growth in this area for 2026/27. A budget of gross income in 2024/25 was set for the year at £873k and the outturn was £744k.

During 2024/25 the focus has continued to be on maintaining strong stakeholder relationships and to develop new partnership opportunities. As a result, the College was able to welcome a group of students from Tromsø and Oslo in Norway, a strong partnership which has been running for many years. The English Speakers of Other Languages (ESOL) training to large numbers of

Ukrainians who have settled in the UK continues to support the development of their English skills and helps many secure employment.

Commercial enterprises such as the College gym and restaurant performed well with gym memberships continuing to grow and income exceeding target.

In terms of other income streams, capital grant release increased as capital grants provided to the College for various reasons were expended and released to the revenue position. Grants mainly related to condition improvement grants but also Local Skills Improvement Funds (LSIF) for the completion of a retrofit skills diagnostic training centre in the Tower Block at the Huntingdon campus. Where grant funds have not been used immediately, they were put to good use by careful investment which contributed to the interest receivable of £272k which outperformed the budget by £142k for the year.

Pay costs exceeded the budget during the year as a result of an unbudgeted element (1%) of the 3.5% cost of living pay award for staff and a higher reliance on agency staff.

The unbudgeted element of the cost of living pay award was part of an aspiration to improve staff pay after many years of pay awards not keeping pace with inflation. During the year staff turnover reduced from 15.2% at the end of 2023/24 to 14.2% at the end of 2024/25 and whilst this was not exclusively as a result of a second year where a positive pay award was made, the more generous pay award did contribute to the reduction.

Agency staff costs were high in areas with harder to recruit roles such as engineering and construction. The reduction in staff turnover reduced savings due to vacancies which usually offset some of the impact of agency cost pressure.

Overall non-pay costs were less than budget due to lower expenditure on sub-contracted activity although some of the budget was redirected to support high quality in-house ASF delivery. Excluding that, non-pay costs were increased by higher 16-18 student numbers and this caused pressure on some premises and exams costs. It also caused some pressure with consumables but careful control of that budget line contained the impact. Utilities were budgeted for prudently and the outturn was less than budget for the year. There was a continued trend of inflationary price rises that exceeded funding rate increases for the College and this was particularly noticeable for software licences and awarding body costs but overall, good procurement and contract management enabled variances to be contained.

Treasury policies and objectives

Treasury management is the management of the College 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 uses a fixed term deposit facility through its bank Santander to optimize interest receivable but in doing so always considers risk before reward and the cashflow needs of the College to resource its

operations and capital activities. The remaining excess funds are retained in a business reserve account which also yields interest receivable.

The College continues to repay a loan facility that it has with Santander which is due for repayment on 30th July 2027.

Cash flow and liquidity

Although the College generated cash from operations, the overall cash reserves reduced by £1.165m (2023/24 increase of £1.364m). The movement between the two years of just over £2.5m is due to a number of factors (both positive and adverse) but principally due to a lower surplus in 2024/25, a movement in debtors due to an early payment at the end of 2023/24, and an additional significant debtor in 2024/25 (DfE). During the year the College invested £2.93m in fixed assets (2023/24 £1.229m) and the cashflow benefited from the receipt of £2.3m DfE capital grants that are to be spent over a multi-year period ending March 2028.

The cash position at the end of the financial year was 84 days and was maintained at > 40 days throughout the year, exceeding the increased aspirational target set for the sector by the FE Commissioner in June 2025.

Reserves policy

The College has a reserves policy that was approved by the Corporation in October 2024 following review by the Finance and Resources Committee in June 2024.

The principal objective of the reserves policy is to ensure that sufficient funds are set aside for future use and to provide financial stability for the College. The College aims to maintain a target reserve level of a minimum 60 cash days. This target level balances the need for financial security with the need to invest in educational resources and student support.

The pension surplus increased this year by £13.4m from a net notional surplus of £23.6m to £37m. This movement was principally due to a decrease in the defined benefit obligations as a result of financial assumptions used by the actuary commissioned to produce the reports to support the pension entries within the statutory accounts.

Net assets remain healthy and the return to consistently generating surpluses is a key element of funding capital investment from reserves. The College recognises the importance of reserves in the financial stability of any organisation and plans to ensure that there are adequate reserves to support the College's core activities but equally safeguard enough funds to enable ongoing investment in the assets and facilities of the organisation. At the balance sheet date, the Income and Expenditure reserve stands at £25.5m (2023/24: £24.9m) having benefitted from the positive financial performance in 2024/25. Total Reserves stand at £70.1m (2023/24: £69.6m). It is the

Corporation's intention to increase unrestricted cash reserves over the life of the strategic plan through the generation of annual operating surpluses in order to fund ongoing self-funded capital investment whilst maintaining a financial health of at least "Good".

Group companies

The College has one subsidiary company Cambridgeshire FE Limited as stated in Note 10 which is dormant. During the year, three other dormant subsidiary companies were removed from Companies House register.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

The College had 3,561 Band 4, 5 and T-level funded 16-19 year old students in learning during the year which was 175 higher than the post in-year growth funding allocation of 3,386 and 274 higher than the original allocation for the 2024/25 year. Overall, the College had 12,841 learners during the year which also included 790 apprentices, 210 HE learners and 8,280 adult and leisure learners.

Future developments

The trajectory of growth that the College enjoyed in 2023/24 continued into 2024/25 and enrolment in 2025/26 is also showing a healthy increase in the number of students. Whilst the formula for calculating exceptional in-year growth funding (EIYGF) has been published by the DfE, an affordability caveat has been issued along the same lines as 2024/25 and funding will not be confirmed until the Spring of 2026. Regardless of EIYGF in 2025/26, funding for 2026/27 will be healthy and reflect the increased student numbers. Apprenticeship, Adult Skills Fund and local authority income is all expected to be stable for the 2025/26 year which provides confidence about the achievement of the planned 2025/26 surplus of £200,000.

During the summer of 2025, some of the College's estate was repurposed in order to meet the needs of the 2025/26 projected student numbers and this included the addition of a second temporary workshop to support the growth in construction students at the Cambridge campus. The College now has 600m² of temporary workshop space that will potentially need replacing in 2035 if capacity grant funding is not readily available for increasing the capacity of the campus.

The College will continue to apply the Further Education College Condition Allocation (FECCA) condition improvement grants to improve the College's estate with £1.767m to be spent by July 2028 on top of regular annual capital investment to ensure the curriculum is resourced appropriately.

The College has a very positive working relationship with the local devolved authority, the CPCA and was recently successful in securing approval for £1.15m of Capital Skills grant to begin to address areas of the county identified as Cold Spots for FE provision. The College also secured funding above the allocation for the 2024/25 year and whilst this opportunity will not be available in 2025/26, the College will be on hand to support the CPCA with any skills shortages identified that can be funded.

The establishment of additional devolved adult skills budgets in Suffolk and Norfolk will present opportunities to the College once the skills budgets are confirmed.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires organisations to make payments to suppliers within 30 days.

During the accounting period 1 August 2024 to 31 July 2025, the College paid 89.00% (86.00% in 2023/24) of its invoices within 30 days. The College incurred no interest charges in respect of late payments for this period but will continue to aspire to increase this percentage to 95% in the 2025/26 year.

Events after the end of the reporting period

The College has no events to report that occurred after the end of the reporting period.

Future prospects and Going Concern

The 2024/25 financial year has been another successful year for many reasons particularly from a financial perspective. For the third year in a row, the College has outperformed its planned surplus and was able to award a cost of living pay increase for staff in excess of the Association of Colleges' recommendation. The College has a surplus budget plan for the 2025/26 financial year and there is potential for the surplus to be outperformed and the College will endeavour to optimise any pay award to staff in pursuit of recognising their value to the College, to assist with staff retention and the associated beneficial effect on delivery of operations.

The number of students enrolled during the autumn of 2025 is higher than the DfE allocation by over 400 and, subject to the final funding details for exceptional in year growth, the College will benefit from in-year supplementary funding. The distribution of the new enrolments across Levels 1,2 and 3 suggests that with good retention and outcomes, enrolment will be healthy in the 2026/27 year due to progressing students which helps to give confidence about future income streams. Other income lines are expected to perform in line with budget with the College's adult provision targets very achievable along with apprenticeships due to prudent budget planning. The College has an excellent procurement function and liaison between the

finance team, the College's finance lead and budget holders is well established so that key managers are aware of the financial environment and its limitations.

The College has benefited from significant capital grant receipts during 2024/25 which will enable £1.8m of improvement to be made to College estate assets over the coming two years and further funding is expected as a result of DfE surveys undertaken during the summer and early autumn of 2025. This assists the College's cash flow as well as maintaining its assets and combined with planned surpluses, should ensure that the College's cash flow will remain healthy over the next two years.

In July 2027, the College's loan with Santander is due for repayment. Prior to the rule changes arising from the recategorization of FE colleges from the private sector to the public sector in November 2023, the College would have refinanced this loan via a commercial loan in July 2027; as part of the public sector, this is no longer permitted. Although the DfE is not in a position at this stage to confirm that it will finance the repayment to Santander, there is a process in place for which the College would be eligible and it is intended to utilise this facility in order to protect the cash reserves that the College has worked hard to build over the last five years as it has improved its financial health from requires improvement to outstanding. The financial health of the College is expected to be regarded to "Good" as a result of the 2024/25 financial statements due to a reduction in the margin scoring element arising from a lower surplus. It is then expected to remain as Good in 2025/26 even when the loan repayment moves to current liabilities when falling due within one year which will have an impact on the current ratio element of the financial health calculation. After that the College will seek to return to Outstanding financial health for the 2026/27 financial year.

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.

Financial

The College has £70.1m of net assets and long-term (>1 year) debt of £3.85m. Deferred capital grants, excluding year 1, is shown within creditors falling due after more than one year per FRS 102. The College wishes to continue to accumulate reserves and cash balances in order to provide for future investment and contingencies.

People

As at 31st July 2025, the College employed 755 (equivalent of 643 FTE) staff of whom 319 (286 FTE) were teaching staff including assessors. This compares to 714 (603 FTE) staff of whom 249 (220 FTE) were teaching staff including assessors in 2023/24. The staffing numbers in note 5 are averages for the year.

Reputation

The College has a good reputation in the region and is recognised as Good by Ofsted and achieved 'Strong' for meeting skills needs in the region. The College holds Chartered FE status, alongside a limited number of other FE colleges to hold the status and being part of the College Collective, a best practice group of exemplar colleges.

Maintaining and building brand reputation is essential for the College's success in attracting students and maximising partnership opportunities. In 2024/25 the College featured in significant positive media coverage, highlights included coverage on the BBC One Show with the St Neots Citizen's Hub, front page of the Cambridge Independent with the Arbury Carnival and BBC Look East coverage of the College becoming the first UK college to partner with Nintendo.

On the international stage the College has worked with Government departments to welcome delegations from Africa, China and Mauritius to learn about vocational training excellence in the UK. This year also saw the establishment of a trans-Atlantic partnership with a US community college, Linn Benton, as part of a US-UK technical education exchange as one of only two colleges in the UK selected to do so.

The College achieved various awards and quality kitemarks including, achieving GOLD level of the Investors in People accreditation, the Green Team were finalists in BBC Radio Cambridgeshire's Make a Difference Awards and CRC & the Citizen Hub were finalists in the New Talent Inspiration Programme category at the Enginuity Skills Awards 2025.

CRC achieved College of Sanctuary status in 2024/25 and held celebrations at both campuses where students celebrated their culture, music and cuisine with the wider student body joining in and taking part fostering an inclusive culture. Further to this a Commendation was received from the Association of Colleges for the College's work with English for Speakers of Other Languages (ESOL) students.

Engaging with and reaching out to the local community has received recognition and increased engagement with projects such as CRC's partnership with the St Neots Citizen Hub to bring greater access to training and education to the local community and the College's support of the Arbury Carnival. The College was a supporting partner at the carnival and in the lead up to the event, supporting the poster competition, hosting the poster exhibition and with many students submitting entries across the College and a student's poster being selected as the official 2025 Arbury Carnival poster.

CRC's training restaurant and salons also celebrated prestigious achievements this year with the Park Restaurant achieving the AA Highly Commended College Rosette, Gold People 1st International Accreditation, continuing to hold the Public Sector Catering Award and gaining TripAdvisor's Traveller's Choice award. The College training Hair and Beauty Vitality salons at both campuses achieved Fresha's highly recommended salon for 2025.

The College's 16-19 student numbers grew substantially, leading to the creation of a new Bricklaying facility increasing overall construction and trades capacity at Cambridge. The 2024/25 academic year also saw the first graduates of T-Levels for the College with the first cohort of Education and Early Years students achieving 100% pass rate and 86% at high grades, testament to the quality and standard of teaching. The new Retrofit and Green Skills Training Centre was opened at our Huntingdon campus, increasing capacity and delivery options for green skills in the region.

The celebration of its students' skills is essential for the College's success in attracting students and demonstrating the value added by the College. Student successes have been celebrated and showcased across the year; highlights include two apprentices making the BCS National Apprenticeship Award finals, a Beauty Therapy student winning 'Therapist of the Year' award from her employer and another Beauty Therapy student reaching the finals of the 'Pitch for the Future' business competition. A CRC apprentice won the Progress & Achievement Apprentice of the Year Award at the Peterborough Education Awards. A hairdressing student from the College's Huntingdon campus won CRC's Big Bid competition with her innovative idea 'Hair to Help' using hair cutting waste to help clean up oil spills.

Partnerships and collaborations with businesses in the region led to increased numbers of work and industry placements for students and a range of real-world projects and briefs that were celebrated and showcased. These included Visual Communications and Supported Learning students creating artwork and murals for Stansted airport and a marketing project with Arthur Rank Hospice.

CRC students took part in a range of Turing Scheme trips taking students around the world to experience new cultures with visits to America, Australia and Thailand. Students hosted numerous fundraising events, supported community events and projects throughout the year from a visit to Morocco volunteering at an orphanage, and Music and Performing Arts students hosting their final major projects in the iconic Cambridge Junction venue.

A strong focus on the CRC brand and reputation, along with good marketing campaigns, a strong online presence, and good links with schools and partners, have seen significant increases in applications and enrolments for the 2025/26 academic year.

PRINCIPAL RISKS AND UNCERTAINTIES:

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

The College's system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation is regarded as established and embedded, and continued to operate effectively and consistently during 2024/25.

Based on the strategic plan, both the Senior Management Team and the College Management Group (CMG) undertake a bi-annual comprehensive review of the risks to which the College is exposed. The Group identifies systems and procedures, including specific preventable actions, which should mitigate any potential impact on the College and targets further improvements to maximise (within existing resources) further mitigations. Internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, any risks which may arise as a result of a new area of work being undertaken by the College or developments caused by changes are tracked and considered. The CMG forum plus other risk stakeholders review the application of controls during the year between each annual review.

A separate fraud risk register also exists which sits as a sub-register of the main corporate risk register. Maintenance, review, and oversight of the sub-register are control mitigations that form part of a generic fraud risk that sits in the corporate risk register.

The risk register is maintained at the College level and is reviewed bi-annually by the Audit and Risk Committee and Corporation. Individual committees review the risks pertaining to their area of responsibility. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College, the control measures in place and the actions being taken to reduce and mitigate the risks further. Risks are prioritised using a consistent scoring system and third line assurance is tracked and recorded.

Not all factors are within the College's control. Many other factors besides those listed below may also adversely affect the College and the section below focusses on the principal risks to the College most of which are represented by several risks each in the risk register. Some are longer

term risks which do not pose an imminent risk to the College and therefore do not feature explicitly on the risk register at this stage but will do if they become more imminent.

Qualification Reform

Towards the end of 2024 the DfE confirmed that as a consequence of its “pause and review” of the proposal to discontinue a large number of Applied General Qualifications (AGQs), which included BTECs, that it would not proceed and would revisit it again in 2027.

It is disappointing that the review did not conclude indefinitely that the cessation of AGQs should not proceed, but the deferral has alleviated more immediate concerns about not only the financial challenges that it would present to the College but more importantly the significant reduction in options for school leavers to be able to study in an FE College. If the proposals were re-adopted after a review in 2027 then this would require the College to develop alternative plans which would be put into place to mitigate the impact of the discontinuation of AGQs.

Accommodation capacity

The College has had three successful years at recruiting for its principal groups of students and in particular for the 16 to 19 group which forms the largest element of the College's student community. With every successive year of growth, the College has managed to increase its accommodation capacity by optimising the teaching space combined with effective timetabling. During each of 2024 and 2025, the College also funded 2 new temporary workshops (totalling 600m² of floorspace) due to large increases in the number of construction students. The benefit of these temporary workshops is that they are sufficiently good quality for all year round teaching but will only have a finite life which is being based on a 10 to 15 year lifespan. Not all growth is in construction and if this trend continues then there will come a point where the college is unable to extend its accommodation capacity due to either the cost of creating additional space or simply due to a lack of space due to the proliferation of single storey accommodation. This is incorporated into the College's property strategy and is an active part of future aspiration.

Government funding

Concerns about the extent of government funding has been a feature of risk consideration for the College and the wider FE sector for many years.

Although 16-19 funding has had rate increases applied in recent years, it is still not considered sufficient to resource learning in a way that fully delivers the aspirations of all stakeholders (DfE, Ofsted, students, employers, staff, awarding bodies, FE Commissioner). The 16-19 level of funding has had an impact on the College's ability to resource staffing in the way that it would like to, which is a challenge faced by most colleges.

Adult funding rates were changed for the 2024/25 year and this was beneficial to the College but allocations have been reduced for the non-devolved element in 2025/26 by 24%. The devolved ASF funded by the CPCA will be subject to a small increase of 1% but currently this will be for a 3 year period and therefore represents a reduction in real terms.

Apprenticeship standards have had funding changes on an ad-hoc basis which has led to financial increases in general, but overall, apprenticeships delivery and oversight contributes to a more complicated business model and this results in apprenticeships returning the lowest financial margin of the three principal FE learning activities within the College with some sector areas not even breaking even.

Funding is specifically monitored monthly outside of the corporate financial monitoring and the trends are tracked. The College wishes to retain as broad a learning offer as possible but without improvements in funding this will become more challenging and if not reflected in a change in funding or of delivery expectations then the College would have to rationalize its offer.

With the backdrop of the funding challenges set out above, inflation has been pressuring the College's resourcing ability and the inability to reclaim VAT (as schools and academy trusts are able to) is a significant pressure on the College's revenue position.

Staffing

The challenges associated with the government funding risk set out above has an impact on staffing. Although staff turnover has decreased during 2024/25 to 14.2% (from 15.2% in 2023/24), it is still very challenging to employ both vocational and support specialists. This inevitably leads to either the discontinuation or deferral of some curriculum activity or the engagement of agency staff and their associated higher costs. This challenge has been particularly acute in the Construction areas of the College which is a key part of training the workforce needed to pursue the government's ambitious house-building objective.

This risk contributed to a significant overspend on agency staff during 2024/25 which was mitigated by the College's ability to efficiently earn margin income on its ASF income stream and by saving expenses on its non-pay lines. With current levels of staffing, the College is in a position whereby vacancies simply cannot be left unfilled in the majority of cases without operational impact. This drives costs up when agency staff have to be used if successful recruitment is not achieved.

Pay inflation and expectation is higher than the College can afford and this is compounded by the ever widening gap between remuneration rates in the FE sector compared to the same roles within the school sector.

Cyber Risk

The risk and damage sustained from a successful cyber attack is the highest risk for the College along with almost every other medium and large sized corporate entity in the UK and beyond. The College is keenly aware of the disruption and financial cost should such an event occur but with the limited financial means at its disposal set out already, there are limitations to the protection and resilience that can be put in place.

The College has achieved the Cyber Essentials accreditation for a number of years and undertakes regular training of staff in the awareness of cyber risks. All new employees are advised of the importance of cyber-vigilance and the College conducts phishing exercises with staff to test their vigilance. However, as it only takes one employee to provide bona fide login credentials for a cyber attack to be successful, the College treats such transgressions seriously and will continue to keep this risk as a high profile and very real threat to the operations of the College. An internal audit on cyber risks was undertaken during the 2024/25 year which returned an assurance grading of "Reasonable" assurance.

Mitigating the risk of Cyber disruption is an ongoing project and whilst the College recognizes that it is impossible (in practice) to have an ironclad defence against the risk, other measures can improve it and will be sought within the limitations of funding constraints.

OTHER INFORMATION

Cambridge Regional College has many stakeholders. These include:

- Students and parents
- Education sector funding bodies (DfE / Office for Students)
- Staff
- Local employers (with specific links) including Cambridge University Hospitals Trust, Arm Education, Hays, Vindis and the University of Cambridge and employer representative bodies including Cambridge Ahead, the CBI and the Cambridgeshire Chambers of Commerce
- Local authorities (Cambridgeshire County Council, South Cambridgeshire District Council, Huntingdonshire District Council, Fenland District Council and Cambridge City Council)
- Cambridgeshire and Peterborough Combined Authority
- Partners such as Form the Future who co-deliver a programme on behalf of the Greater Cambridge Partnership
- Feeder schools
- The local community
- International partners and agents
- Other FE institutions
- Trade unions (The trade unions of which some College staff are members of include the University and College Union (UCU), National Education Union (NEU) and UNISON (the public service union))
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College website, communication channels such as news items, social media, webinars and meetings.

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and positively value differences in age, race, sex and gender identity, sexual orientation, marriage and civil partnerships, disability, religion and belief. We strive vigorously to be an inclusive college and to actively remove all barriers to learning and to include all people within the College community. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's website.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation, including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results of these. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Positive about Disabled' employer and is committed to the principles and objectives of the 'Positive about Disabled' standard. As a disability confident employer, the College considers all employment applications from disabled persons, and recognises the talents that disabled people bring to our workplace. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which, as far as possible, provide identical opportunities to those of non-disabled employees. The College aims to challenge attitudes towards disability; to increase understanding of disability; to remove barriers to disabled people and those with long-term health conditions; and to ensure that disabled people have the opportunities to fulfil their potential and realise their aspirations in-line with all disability confident employers.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has achieved accreditation to the Committed to Equality (C2E) standard at the gold (highest) level. The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an on-going basis. This is to ensure that mindfulness is central to our support for all staff and their wellbeing.

In 2023/24 The College was awarded the Inclusive Excellence Award by Inclusion UK which supported our approach and commitment to inclusion. This ensures that the College undertakes to review our policies and procedures; review accessibility of our estates, services and information materials; seek the views of our workforce; provide learning and development opportunities for our staff; and have an Equality, Diversity and Inclusion (EDI) strategy.

Disability statement

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

The admission policy for all students is described in the College charter. As an inclusive college our aim is to provide learning opportunities to all young people and adults. We ensure that through effective transitions onto College courses that the appropriate levels of support are put in place to ensure that all students can access and achieve their learning goals through a high quality and inclusive learning journey. Appeals against a decision not to offer a place are dealt with under the complaints policy and for Special Educational Needs and Disabilities (SEND) in line with the Special Educational Needs Code of Practice.

As an inclusive college there has been a focus on investment in the development of a range of different roles and skill sets to ensure that the student experience is maintained and developed, as a high-quality experience. Our Assistant Heads and Inclusion Co-ordinators have implemented support for students who require support with their cognition and learning; social, emotional mental health development; communication and interaction skills; sensory and physical disabilities. There is a specialist learning support team who assess students and make recommendations to curriculum staff on how to support students. This ensures that their normal way of working is supported through reasonable adjustments such as additional time, rest breaks, quiet space(s) and assistive technology. Students with visual and hearing impairments are supported by a lead for this area and a team of communication support workers. Assistive technology is used and supported for students where adjustments are required including access to Read Write technology for all students and staff. In addition to this, students are well supported by a team of Learning Support Mentors both in and out of class and for high need students a Pastoral Support Adviser provides emotional literacy support. All staff, both teaching and non-teaching are supported with staff development opportunities to ensure that the College is a welcoming place for everyone and that we develop our workforce with the changes to the student demographic, in terms of SEND. The College also employs a qualified Registered General Nurse to support and put in place guidance for students with health conditions. In addition to this, other adjustments are made to support students via the Health and Safety Officer.

The College has a very good approach to personalising learning programmes for students and follows College quality processes to ensure the maintenance of robust quality practices and to ensure that these internal programmes are of a high quality. Student outcomes are monitored through a variety of college systems, including the Recognising and Recording Progress and Achievement (RARPA) outcomes and through Markbook on Promonitor. Progress is also monitored through student Specific, Measurable, Attainable and Realistic Targets (SMART) and where applicable the student Education, Health and Care Plan (EHCP) objectives. In addition to

being ambitious for all students, the College ensures that there is excellent academic rigour and an inclusion of study skills, personal development and life skills to prepare students for adulthood.

The College has an experienced and professional team of Student Advisors. This team provides a range of support to ensure that those experiencing personal or emotional concerns are provided with the appropriate support to enable them to succeed. Rigorous processes are in place to support and improve student mental health and wellbeing, developing learners' confidence, resilience and knowledge so that they can keep themselves mentally healthy and access education. Support for students at the College was formally acknowledged by the Times Educational Supplement (TES) when the provision was awarded the Support for Students Award in November 2020.

The College has strong working relationships with local and national charities and not for profit organisations to supplement the support offered in-house. The College has been part of a trail blazer project to train Postgraduate Educational Mental Health Practitioners since March 2020. The service has been well utilised by students and has broadened the access to specialist support services.

Trade union facility time

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

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
9	8.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	9
51-99%	0
100%	0

Percentage of Pay Bill spent on facility time

Total cost of facility time	£19,182
Total pay bill	£29,235,527
Percentage of total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100	0.07%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	2.2%
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DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 16th December 2025 and signed on its behalf:



Heather Du Quesnay
Chair of Corporation

Statement of Corporate Governance and Internal Control

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

Governance Code

The College endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the FE code of good governance ('The Code').

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code reported to the Board on 23rd May 2024 and subsequent internal review. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the FE code of good governance issued by the Association of Colleges in 2023, which it formally adopted on 12th December 2023.

Members of the Corporation

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

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Corporation meetings attendance
Heather Du Quesnay (Chair)	July 2014 June 2018 May 2023	To Dec 2027	-	External	L&Q , Rem, F&R, G&P	6/6
Tim Arthur (Vice Chair)	Nov 2017 Sep 2021 July 2025	To Dec 2025	-	External	F&R (Chair), Rem (Chair)	6/6
Mark Robertson	Jul 2016	Ex-officio	-	Principal/ Accounting Officer	F&R, L&Q, G&P, SES	6/6
Martin Doel	Sep 2017 July 2021	To Jul 2025	July 2025	External	SES (Chair), G&P, Rem	3/6
Jo Lancaster	Sep 2017 Jul 2021 Jul 2025	To Jul 2026	-	External	G&P (Chair), SES	6/6
Neil Hunter	May 2021 May 2025	To May 2026	-	External	A&R, Rem	1/6
Richard Tunnicliffe	Sep 2021 Oct 2025	To Oct 2029	-	External	SES	5/6
Bradley Dorrington	Nov 2021 Oct 2025	To Nov 2029	-	External	L&Q	4/6
Lesley Deacon	Jan 2022 Oct 2025	To Jan 2030	-	External	L&Q	6/6
Louise Armstrong	April 2022	To April 2026	-	External	A&R	2/6
Jane Mallabone	May 2023	To May 2027	-	External	F&R	6/6
Chris Leeding	Feb 2024	To Feb 2028	-	External	L&Q (Chair)	6/6
Darren Tysoe	Oct 2024	To Oct 2028	-	External	F&R	5/5
Gabriella Giuffrida	Nov 2024	To Nov 2028	-	External	SES	4/5

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Corporation meetings attendance
Chris Hayward	July 2025	To July 2029	-	External	F&R	n/a
Tim Richardson	Sept 2025	To Sep 2029	-	External	SES, G&P	n/a
Michael Farrow-Killick	Dec 2021	To Dec 2025	-	Staff	L&Q	6/6
Yvette Watson	June 2022	To June 2026	-	Staff	G&P	6/6
Quinn O'Brien	Oct 2024	To June 2025	-	Student	L&Q	2/4
Elliott Butler	Oct 2024	To June 2025	-	Student	L&Q	1/4
Abigail Trencher	June 2017 July 2021	To July 2025	July 2025	External co-opted committee member	F&R	n/a
Hasnain Ali	June 2024	To June 2028	-	External co-opted committee member	A&R	n/a

The governance framework

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation normally meets six times a year, including a full Strategy Day.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance and Resources, Remuneration, Audit and Risk, Governance and People, Skills Enterprise and Sustainability and Learning and Quality. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website (www.camre.ac.uk) or from the Clerk to the Corporation at the College's registered address.

Cambridge Regional College
Kings Hedges Road
Cambridge
CB4 2QT

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address, and a summary is published on the College website.

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided on an ad hoc basis.

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

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

Appointments to the Corporation

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

Members of the Corporation are appointed for an initial term of office of one year and renewed for a further three years; members may be reappointed for a second term of four years. Governors may serve a further term only in exceptional circumstances on the recommendation of Corporation. An example of this is the Chair who is currently in their third term of office.

Corporation Performance

The Governing Body is appropriately structured to support delivery of the Strategic Plan and continued improvements to the College. It plays a key role in challenging the senior management to ensure that the College aims are achieved. Timely and accurate reporting ensures that governors are able to challenge effectively. Performance against the College Strategic Plan is reported at each Corporation meeting. This includes an assessment of college key performance

indicators that cover all aspects of the College's operations including teaching and learning, student outcomes, satisfaction, financial sustainability and leadership and management.

The Governing Body commissioned an external governance review in accordance with DfE guidance which reported to the Board in May 2024. The overall conclusion of the review was that 'there is strong evidence that the Board is highly proficient and consistently impacts positively on college strategy, effectiveness, and outcomes.' The review identified three improvement areas related to succession planning, review of the lead governor scheme and the process of developing the governance SAR. All three improvements areas were accepted by the Board and formed the basis of an updated governance improvement plan for 2024/5. The executive summary of the external governance review is available on the College website.

The Governing Body reviewed its own performance for 2024/25 at the Corporation meeting on 16th December 2025. It reviewed the governance self-assessment report, which included progress against the governance improvement plan and attendance data provided by the Governance and People Committee. As a result of this analysis, it graded itself as 'Good' on the Ofsted grade. This is in line with the 'Good' grade for 'Leadership and Management' set out in the College Self-Assessment Report (SAR) for 2024/25.

The Governing Body is committed to governor development. All Governors must complete mandatory safeguarding training on induction. Additional safeguarding training is provided within Corporation meetings on a bi-annual basis as a minimum. For 2024/25 this was covered at the October 2024 Corporation meeting with training delivered by the Designated Safeguarding Lead (DSL). Governors have also attended regional conferences, finance and curriculum briefings and other webinars run by the AoC. Committee chairs regularly attend AoC meetings on their committee area. The Governor environmental lead attended a number of environmentally focused meetings and events. Several governors were involved in PMB or SAR meetings, and attended a number of college events.

At the Governor Strategy Day, Governors received briefings from the AoC on the FE sector and from the University of Cambridge on the regional economy. They also received several briefings about the use of social value in strategic planning. The Chair of Corporation attends the Regional Chairs' network meetings and has participated in the Education and Training Foundation Chair's Leadership programme.

The Clerk has completed the Governance Professionals Leadership programme run by the Institute of Directors and the Education and Training Foundation. She also attends regional Clerk network meetings and Eversheds legal briefings which include regular training sessions.

Remuneration Committee

Throughout the year ending 31 July 2025 the College's Remuneration Committee comprised six members of the Corporation.

The Remuneration Committee meets at least on an annual basis and operates in accordance with written terms of reference approved by the Corporation. It makes recommendations to the Board on an annual basis on the remuneration and benefits of the Principal and other key management personnel that are defined as Senior Post Holders. The following are designated as Senior Post Holders by the Corporation:

- Principal/Chief Executive (Mark Robertson)
- Deputy Principal Finance and Resources (Stephen Jones)
- Deputy Principal Curriculum Development (Kate Da Costa)
- Deputy Principal Quality and Student Services (Corrin Hoyes)

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

Corporation adopted the AoC Colleges' Senior Post Holder Remuneration Code (AoC Code) at its meeting on 17 December 2019.

The College has established a policy for the Remuneration of Senior Post Holders which is available to the public on the College website. The policy complies with the principles of the AoC Code and the requirements around senior pay controls as a result of re-classification in 2022. The policy includes reference to the College's policy on the retention of external income. Senior Post Holders must seek approval from the Remuneration Committee for the retention of any income generated from external bodies in a personal capacity. There must be a clear and justifiable rationale for the retention of any such income.

In recommending the remuneration of Senior Post Holders for each year, the Committee has regard to the latest benchmark data for relevant roles published in the Association of Colleges Senior Pay Survey 2024. The Committee considers salary data for colleges with a turnover of £30-£50m. The Committee also considers the data for colleges in the Midlands and in the London area. The comparison data serves as a guide to the Committee, as the Committee also takes into account other factors set out in its Remuneration Policy, such as the context of the College and the performance of the individual role holder.

Details of remuneration for the year ended 31 July 2025 are set out in note 5 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee comprises a minimum of three members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation

on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

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

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

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

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

The Audit and Risk Committee met three times in the year to 31 July 2025. The member of the Committee and their attendance records are shown below:

Committee member	Meetings attended
Neil Hunter (Chair)	3/3
Louise Armstrong	3/3
Hasnain Ali	2/3

Finance and Resources Committee

The Finance and Resources Committee comprises six members, including the Chair of Corporation and the Principal, and one co-opted member. The purpose of the Committee is to assist the Corporation by providing a forum for consideration of financial and monitoring and planning. The Committee makes recommendations to Corporation on financial planning, including the College's annual budget and proposals, and the College's estates strategy. It also monitors the College's financial performance and the College's health and safety arrangements.

The Committee operates in accordance with written terms of reference approved by the Corporation. The Finance and Resources Committee meets at least on a termly basis.

Learning and Quality Committee

The Learning and Quality Committee comprises 8 members of the Corporation, including the Chair of Corporation, the Principal, one Staff governor and two Student governors. The purpose of the Committee is to review and make recommendations to Corporation on the overall quality of the students' learning experience at the College, student achievement and other key indicators for performance.

The Committee operates in accordance with written terms of reference approved by the Corporation. The Learning and Quality Committee meets at least on a termly basis.

Governance and People Committee

The Governance and People Committee comprises five members of the Corporation, including the Principal and the Chair of Corporation. It is responsible for the recruitment, induction and training of governors and for overseeing the College's governance processes. It also monitors and advises Corporation on human resource matters, and monitors the College's equality and diversity policies. The Committee operates in accordance with written terms of reference approved by the Corporation and meets at least twice a year.

Skills, Enterprise and Sustainability Committee

The Skills, Enterprise and Sustainability Committee comprises five members of the Corporation, including the Principal. The role of the Committee is to assist Corporation in fulfilling its duty to review provision in relation to local needs, taking into account regional and national trends. This includes giving recommendations to the Corporation on the College's engagement with local and regional employers, and wider external relations as well as advising on the development of business and commercial ventures. It also has oversight of the College's approach to environmental sustainability activities, including the development and monitoring of related strategies and policies. The Committee operates in accordance with written terms of reference approved by the Corporation and meets at least twice a year.

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which

he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between Cambridge Regional College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cambridge Regional College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation supports management in managing risk faced in the operation of its business. In so doing it:

- actively seeks to identify potential risks (arising from both threats and opportunities) and to plan to mitigate against damage arising from potential risks
- targets management effort, and redirects resources where appropriate, to those areas which present highest risk to the organisation
- formally reviews risks and the risk management process on a regular basis
- embeds risk management in critical business planning and review processes.

The College's Risk Register is regularly reviewed by Corporation and it reviews the Risk Management Policy every three years. Major risks are set out under the Strategic Report. The risk register is a live document which is reviewed rather than approved by governors and is populated by risks as they arise as communicated by staff at all levels but is also formally reviewed twice a year by the College Management Group and any relevant risk and risk mitigation owners. All risks are scored on the basis of probability and impact with a pre and post risk mitigation measures score which determines the severity of each risk.

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

The risk and control framework

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

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

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

Responsibilities under accountability agreements

The College has reviewed its policies, procedures and approval processes in line with the 2024/25 College Financial Handbook and its accountability agreement with the DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit and Risk Committee

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

The specific areas of work undertaken by the internal auditors for the Audit and Risk Committee in 2024/25 were:

- Accounts Payable (reasonable assurance)
- ICT -Cyber security (reasonable assurance)
- Key financial controls (substantial assurance)
- Procurement (substantial assurance)
- Accounts follow up validation and DBS compliance (advisory review)

In the view of the Audit and Risk Committee, no significant areas of weakness were identified in the internal auditor reports. Where appropriate, recommendations were agreed with management and reasonable implementation plans put in place to address the issues reported.

At the Audit and Risk Committee's request to take a clear role in monitoring outstanding actions that arise from internal audit reviews, the internal auditor reports on the progress on the implementation of actions at each committee meeting.

During the 2023/24 year the DFE confirmed that the College's controls and processes in relation to sub-contracting met requirements of the standard following the audit undertaken in the summer of 2023. This is not an annual requirement and controls and processes have been maintained since then.

Review of effectiveness

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

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

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

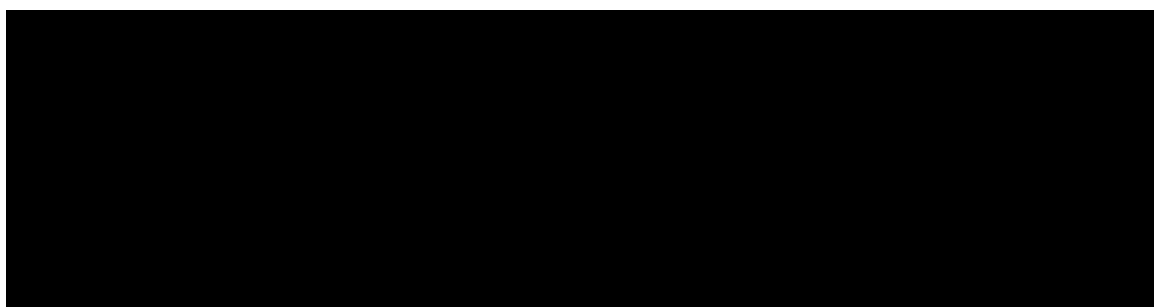
The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and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

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

documentation from the senior management team and internal audit, and taking account of events since 31 July 2025.

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

Approved by order of the members of the Corporation on 16th December 2025 and signed on its behalf by:



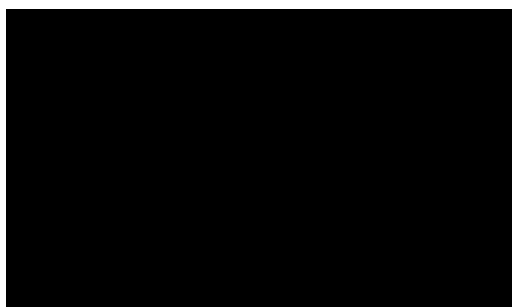
Heather Du Quesnay
Chair of Corporation

Mark Robertson
Accounting Officer

Governing Body's statement on the College's regularity, propriety and compliance

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

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



Mark Robertson

Accounting Officer

16th December 2025

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 College's accountability agreement, funding agreements and contracts with the ESFA and DfE, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice.

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

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

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

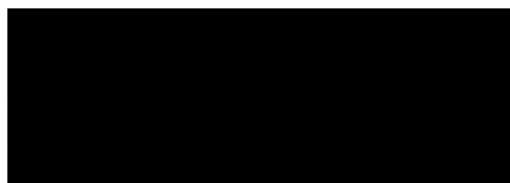
The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher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

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

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

On behalf of the Corporation, the Chair of the Board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 16th December 2025 and signed on its behalf by:

A large black rectangular box redacting the signature of Heather Du Quesnay.

Heather Du Quesnay

Chair of Governors

Independent auditor's report to the members of Cambridge Regional College

Opinion

We have audited the financial statements of Cambridge Regional College (the 'College') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows 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 applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

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 surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 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 Members of the Corporation and statement of corporate governance and internal control.

We have nothing to report in respect of the following matters where the Framework and guide for external auditors and reporting accountants of colleges issued by the Department of Education 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

- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 38, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the College and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the DfE funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, HM Treasury's "Managing public money".

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation.

In addition, we evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the assets and liabilities in the defined benefit pension scheme, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, 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 auditor's report.

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

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

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to 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 College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.



Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date 17 December 2025

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

In accordance with the terms of our engagement letter dated 22 May 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Cambridge Regional College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of Cambridge Regional College and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the accountability agreements, grant funding agreements and contracts with the DfE.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Tested a sample of credit card transactions.
- Tested a sample of expense claims in respect of KMP and Members of the Corporation.
- Tested a sample of suppliers and reviewed and assessed adherence to procurement policies.
- Tested a sample of bursary expenditure and reviewed whether such expenditure was in line with funding agreements.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year.
- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with Part 5 of the College Financial Handbook in respect of delegated authorities.
- Considered whether the college has complied with the requirements concerning senior pay controls as summarised in part 2 of the College Financial Handbook.

Conclusion

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

Signed:

A solid black rectangular box used to redact the signature of the auditor.

Forvis Mazars LLP

Date: 17 December 2025

Cambridge Regional College

Statement of Comprehensive Income and Expenditure

	Notes	Year Ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
INCOME			
Funding body grants	2	37,323	34,143
Tuition fees and education contracts	3	6,184	6,148
Other income	4	1,934	1,911
Investment income		272	279
Total income		45,713	42,481
EXPENDITURE			
Staff costs	5	31,896	27,777
Restructuring costs	5	-	33
Other operating expenses	6	9,876	10,079
Interest and other finance costs	7	(971)	(664)
Depreciation	9	2,971	2,955
Total expenditure		43,772	40,180
Surplus before other gains and losses		1,941	2,301
Profit on disposal of assets	9	-	15
Surplus before tax		1,941	2,316
Taxation	8	-	-
Surplus for the year		1,941	2,316
Actuarial loss in respect of pensions	15	(1,457)	(1,149)
Unrealised surplus on revaluation		-	4,990
Total Comprehensive Income for the year		484	6,157

The statement of comprehensive income is in respect of continuing activities.
The notes on pages 53-77 form part of these financial statements.

Cambridge Regional College

College Statement of Changes in Reserve

	Income and Expenditure Account £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 st August 2023	23,540	39,926	63,466
Surplus from the income and expenditure account	2,316	-	2,316
Actuarial loss in respect of pensions	(1,149)	-	(1,149)
Land revaluation	-	4,990	4,990
Transfers between revaluation and income and expenditure reserves	159	(159)	-
Balance at 31st July 2024	24,866	44,757	69,623
Balance at 1 st August 2024	24,866	44,757	69,623
Surplus from the income and expenditure account	1,941	-	1,941
Actuarial loss in respect of pensions	(1,457)	-	(1,457)
Transfers between revaluation and income and expenditure reserves	159	(159)	-
Balance at 31st July 2025	25,509	44,598	70,107

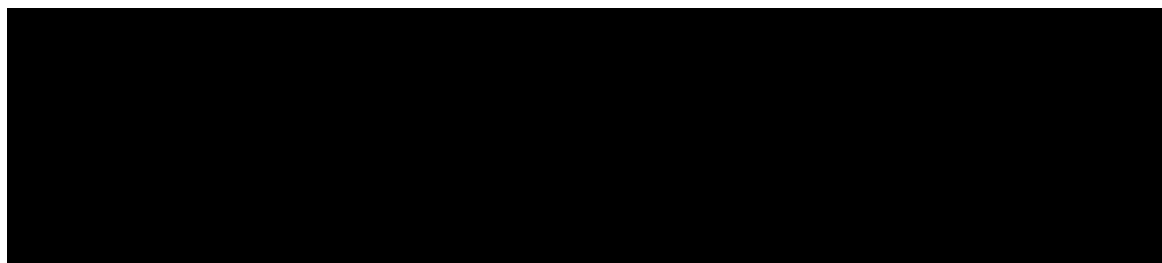
Cambridge Regional College

Balance sheet as at 31st July 2025

	Notes	2025 £'000	2024 £'000
Non-current assets			
Tangible fixed assets	9	87,621	87,658
Investments	10	-	-
		87,621	87,658
Current assets			
Stocks		14	12
Trade and other receivables	11	2,831	895
Investments		-	44
Cash and cash equivalents	16	8,065	9,230
		10,910	10,181
Less: Creditors – amounts falling due within one year	12	(5,069)	(4,941)
Net current assets		5,841	5,240
Total assets less current liabilities		93,462	92,898
Less: Creditors – amounts falling due after more than one year	13	(22,308)	(22,134)
Provisions			
Defined benefit obligations	15	-	-
Other provisions	15	(1,047)	(1,141)
Total net assets		70,107	69,623
Unrestricted reserves			
Income and expenditure account		25,509	24,866
Revaluation reserve		44,598	44,757
Total unrestricted reserves		70,107	69,623
Total reserves		70,107	69,623

Cambridge Regional College

The financial statements on pages 48-77 were approved and authorised for issue by the Corporation on 16th December 2025 and were signed on its behalf on that date by:



Heather Du Quesnay

Chair of Governors

Mark Robertson

Accounting Officer

Cambridge Regional College

Statement of Cash Flows year ended 31st July

	Notes	2025 £'000	2024 £'000
Cash inflow from operating activities			
Surplus for the year		1,941	2,316
Adjustment for non-cash items			
Depreciation	9	2,971	2,955
(Increase)/decrease in stocks		(2)	5
(Increase)/decrease in debtors	11	(1,936)	660
Increase/(decrease) in creditors due within one year	12	128	(916)
Decrease in creditors due after one year		(1,810)	(1,076)
Decrease in provisions	15	(94)	(65)
Pension costs less contributions payable	20	(1,456)	(1,153)
Adjustment for investing or financing activities			
Interest payable	7	159	173
Interest receivable		(272)	(279)
Profit on sale of fixed assets		-	(15)
Net cash (outflow)/inflow from operating activities		(371)	2,605
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Cash divested in Year		(16,031)	(3,000)
Deposit account movement		44	(32)
Interest received		272	279
Withdrawal of deposits		16,031	3,000
Grants received		2,333	290
Payments made to acquire fixed assets	9	(2,934)	(1,229)
Cash received for disposal of fixed assets		-	61
Net cash outflow from investing activities		(285)	(631)
Cash flows from financing activities			
Interest paid	7	(159)	(173)
Repayments of amounts borrowed	14	(350)	(437)
		(509)	(610)
(Decrease)/increase in cash and cash equivalents in the year		(1,165)	1,364
Cash and cash equivalents at beginning of the year	16	9,230	7,866
Cash and cash equivalents at end of the year	16	8,065	9,230

Cambridge Regional College

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

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

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention with the exception of land which is revalued every three years. The land was last valued as at 31 July 2024 and is not depreciated.

Basis of consolidation

The College has not prepared consolidated financial statements as its only subsidiary is dormant. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic 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 a £4.2m loan outstanding with Santander bank. The loan is secured by a fixed and floating charge on the Cambridge Campus assets. The terms of the existing agreement are for another 2 years at which point the outstanding loan will be repayable. The College is planning to apply to the DfE for a replacement loan at the earliest opportunity (January 2027) and initial eligibility enquiries have confirmed that the College can reasonably expect to have the loan repayment funded by the DfE. The College's current forecasts and financial projections

indicate that it will be able to operate within the existing loan facility and covenants for the remainder of the loan term.

The College's cash reserves were significantly bolstered during 2024/25 by the receipt of £1.77m Further Education Capital Condition Allocation (FECCA) capital grants from the DFE. Although this will be spent during the 2026 to 2028 period, it has strengthened the short-term cash reserves of the College even further. During 2024/25 the loan covenants were not breached and these are monitored formally on a monthly basis.

Consequently, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and has therefore prepared these statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved.

Any under achievement for the Adult Skills Budget which is not exempt from clawback is adjusted for and reflected in the level of recurrent grant recognized in the income and expenditure account. The final grant income is normally determined with the conclusion of the year-end reconciliation process with the funding body following the year-end, and the results of any funding audits. Revenue is only recognized when there is certainty about receipt. 16-18 study programme funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

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

Capital grant funding

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

Fee income

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

Investment income

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

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students and employers 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, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

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

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

Cambridgeshire Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the 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 recognized in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The

difference between the interest income on the scheme assets and the actual return on the scheme assets is recognized in interest and other finance costs.

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

Short-term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognized 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 on-going pension to any former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the on-going pension of any former member of staff is charged in full to a college's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

Tangible fixed assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Freehold buildings are depreciated over 25-50 years. Where applicable, any 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.

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings but not to adopt a policy of revaluations of these properties in the future however, land was revalued as at 31st July 2017 and again at 31st July 2020 for bank loan and overdraft security. The land was due for revaluation in July 2023 but

the Corporation chose to defer the external valuation that was due in 2023 until 2024 in order to align it with the cycle of valuations required by the College's bankers. The revalued amount is now included in the accounts and going forward all land will be revalued every 3 years. The next revaluation will be due in 2027.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1,000 per individual item is recognized as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- | | |
|--|----------|
| • Buildings | 50 years |
| • Minor buildings and modifications | 25 years |
| • Industrial plant and equipment | 25 years |
| • Temporary buildings | 10 years |
| • Machinery, equipment and plant (fixed) | 10 years |
| • Motor vehicles | 5 years |
| • Computer equipment | 5 years |
| • Furniture, fixtures and fittings | 5 years |

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

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 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 an obligation under finance leases. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

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

The College's only subsidiary is dormant and has not been included in these financial statements.

Other investments

Cash held in deposit accounts with a notice period greater than 3 months are classified as investments. They are measured at cost less impairment.

Stock

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

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. 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, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so it can only recover a % of the VAT charged on its inputs (5.67% 2024/25 and 4.02% during 2023/24). Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions and contingent liabilities

Provisions are recognized 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 recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as a finance cost in the statement of comprehensive income in the period it arises.

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

Contingent liabilities are not recognized 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 judgements:

- Determined whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determined 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, other than land, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- ***Local Government Pension Scheme***

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

2. Funding body grants

Year ended 31 July	2025	2024
	£'000	£'000
Recurrent grants		
DFE – 16-18	25,283	23,883
DFE – adult	3,095	2,076
Cambridge & Peterborough Combined Agency – adult	3,353	3,422
DFE – apprenticeships	2,969	2,879
Specific grants		
Releases of government capital grants	998	877
TPS Pension Funding	1,359	1,006
Turing Grant Funding	266	-
Total	37,323	34,143

3. Tuition fees and education contracts

Year ended 31 July	2025	2024
	£'000	£'000
Adult education fees	1,159	1,407
Fees for FE loan supported courses	33	74
Fees for HE loan supported courses	297	532
Total tuition fees	1,489	2,013
OFS Grant income	134	140
Education contracts	4,561	3,995
Total	6,184	6,148

4. Other income

Year ended 31 July	2025	2024
	£'000	£'000
Catering and residences	113	101
Other income generating activities	366	327
Non-government capital grants	261	262
Miscellaneous income	1,194	1,221
Total	1,934	1,911

5. Staff costs

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

Year ended 31 July	2025	2024
	No.	No.
Teaching staff	314	283
Non-teaching staff	435	420
	749	703

Staff costs for the above persons

Year ended 31 July	2025	2024
	£'000	£'000
Wages and salaries	22,651	20,392
Social security costs	2,344	1,889
Other pension costs	5,042	4,350
Payroll sub total	30,037	26,631
Contracted out staffing services	1,859	1,146
	31,896	27,777
Restructuring costs – Contractual	-	33
Total Staff costs	31,896	27,810

No remuneration was paid to governors during the year and the only payments made were for expenses incurred in their role as governors.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Management Team, which comprises the Principal, Deputy Principals, Vice Principal and Assistant Principals. Staff costs include compensation paid to key management personnel for loss of office.

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

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was	8	9

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

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,001 to £65,000	-	-	-	2
£65,001 to £70,000	-	1	3	1
£70,001 to £75,000	2	3	-	2
£75,001 to £80,000	1	-	2	-
£80,001 to £85,000	-	1	-	-
£85,001 to £95,000	1	-	-	-
£95,001 to £100,000	-	2	-	-
£100,001 to £105,000	2	-	-	-
£105,001 to £110,000	-	1	-	-
£110,001 to £160,000	1	-	-	-
£160,001 to £165,000	-	-	-	-
£175,001 to £180,000	-	1	-	-
£180,001 to £185,000	1	-	-	-
	8	9	5	5

Key management personnel compensation is made up as follows:

	2025	2024
	£'000	£'000
Salaries – gross of salary sacrifice and waived	804	823
Employers National Insurance	105	102
Benefits in kind	13	12
	922	937
Pension contributions	183	203
Total key management personnel	1,105	1,140

The above compensation includes an amount payable to the Accounting Officer (who is also the highest paid officer).

Their pay and remuneration are as follows:	2025	2024
	£'000	£'000
Salaries – Cambridge Regional College	178	172
Benefits in kind	6	5
Pension Contributions	16	44
	200	221

The College does not operate a performance-related scheme for Senior Post Holders. The Governing Body adopted AoC's Senior Staff Remuneration Code in December 2019 and assesses pay in line with its principles.

The Remuneration Committee has considered the pay multiple of the Principal and Chief Executive and the median earnings of the College's workforce. Data was assessed for the previous three years. The Committee assesses the pay multiple against national benchmarks where data is available. The remuneration package of key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body.

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	5.9	5.8
Principal's total remuneration as a multiple of the median of all staff (excluding pension contributions)	6.1	5.9

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.

6. Other operating expenses

Year ended 31 July	2025 £'000	2024 £'000
Teaching costs	4,662	5,289
Non-teaching costs	2,681	1,937
Premises costs	2,533	2,853
Total	9,876	10,079

Other operating expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration		
Financial statements audit	47	39
Internal audit	18	10
Hire of assets under operating leases	15	19

No guarantees, letters of comfort or indemnities that arose outside of the normal course of business arose during the year. Any such items above £5k would be disclosed here if they had occurred.

7. Interest and other finance costs

Year ended 31 July	2025 £'000	2024 £'000
On bank loans, overdrafts and other loans:	159	173
	159	173
Net interest on pension provisions	(1,130)	(837)
Total	(971)	(664)

8. Taxation

Year ended 31 July	2025 £'000	2024 £'000
	-	-
Total	-	-

The members do not believe that the College was liable for any corporation tax arising out of its activities during either year. 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 exempt from taxation in respect of income within categories covered by sections 478-488 of the Corporation Tax Act 2010.

9. Tangible fixed assets

	Land and buildings	Equipment	Assets in the course of construction	Total
	Freehold £'000	£'000	£'000	£'000
Cost or valuation				
At 1 st August 2024	121,365	21,434	-	142,799
Additions	1,264	1,618	52	2,934
Disposals		(749)		(749)
At 31st July 2025	122,629	22,303	52	144,984
Depreciation				
At 1 st August 2024	37,859	17,282	-	55,141
Charge for the year	1,840	1,131	-	2,971
Eliminated in respect of disposals	-	(749)	-	(749)
At 31st July 2025	39,699	17,664	-	57,363
Net book value at 31st July 2025	82,930	4,639	52	87,621
Net book value at 31st July 2024	83,506	4,152	-	87,658

The land valuation was carried out in July 2024 by Radice Chartered Surveyors and this valuation is reflected in the 2024 figures.

10. Non-current investments

Year ended 31 July	2025 £'000	2024 £'000
Investments in subsidiary companies	-	-
Other non-current asset investments	-	-
Total	-	-

The College owns 100 percent of the issued ordinary share capital of Cambridgeshire FE Limited which is incorporated in England and Wales and is a dormant company.

11. Trade and other receivables

Year ended 31 July	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	706	176
Prepayments and accrued income	798	485
Amounts owed by the DFE	863	222
Other Debtors	464	12
Total	2,831	895

Bad debts written off in the year totalled £11,436 (£13,413 2023/24). No individual debts over £5k were written off in the current year.

12. Creditors: amounts falling due within one year

Year ended 31 July	2025 £'000	2024 £'000
Bank loans and overdrafts	350	350
Trade payables	731	526
Other creditors	53	268
Other taxation and social security	553	991
Accruals and deferred income	1,075	788
Deferred income – government capital	1,914	1,364
Payments received in advance International	72	59
Amounts owed to Funding bodies	321	595
Holiday pay accrual	-	-
Total	5,069	4,941

13. Creditors: amounts falling due after one year

Year ended 31 July	2025	2024
	£'000	£'000
Bank loans	3,850	4,200
Deferred income – government capital	18,458	17,934
Total	22,308	22,134

14. Maturity of debt**Bank loans and overdrafts**

Bank loans and overdrafts are repayable as follows:

Year ended 31 July	2025	2024
	£'000	£'000
In one year or less	350	350
Between one and two years	3,850	350
Between two and five years	-	3,850
Total	4,200	4,550

The £4.2m bank loans figure is payable to Santander at 31st July 2025 and is secured on a portion of the College's freehold land. The interest rate on this loan is fixed at 3.602% until July 2027 at which point the unpaid balance of £3.5m will be payable.

15. Provisions

	Defined benefit obligations	Enhanced pensions	Total
	£'000	£'000	£'000
At 1 st August 2024	-	1,141	1,141
Expenditure in the period	(297)	(124)	(421)
Net Interest	(1,187)	57	(1,130)
Actuarial loss/(gain)	1,484	(27)	1,457
At 31st July 2025	-	1,047	1,047

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

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

The principal assumptions for this calculation are:

	2025	2024
Price inflation	2.75%	2.75%
Discount rate	5.80%	5.00%

16. Cash and cash equivalents

	At 1 August 2024	Cash flows	At 31 July 2025
	£'000	£'000	£'000
Cash and cash equivalents	9,230	(1,165)	8,065
Total	9,230	(1,165)	8,065
Debt Due within one year	(350)	-	(350)
Debt Due over one year	(4,200)	350	(3,850)
Total	(4,550)	350	(4,200)
Net Funds	4,680	(815)	3,865

17. Capital commitments

	2025 £'000	2024 £'000
Commitments contracted for at 31 July	892	1,085
Authorised but not contracted at 31 July	-	-
	892	1,085

18. Lease obligations

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

Year ended 31 July	2025 £'000	2024 £'000
Future minimum lease payments due		
Other		
Not later than one year	13	6
Later than one year and not later than five years	40	-
Total lease payments due	53	6

19. Events after the reporting period

There are no events after the reporting period that require reporting.

20. Defined Benefit Obligations

The College's employees belong to two principal post-employment benefit plans; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Cambridgeshire Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

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

Total pension cost for year ending 31st July	2025 £'000	2024 £'000
Teachers' Pension Scheme: contributions	3,233	2,544
Local Government Pension Scheme:		
– Contribution paid	2,105	2,057
– FRS 102 (28) charge	(296)	(251)

Charge to the Statement of Comprehensive Income	1,809	1,806
Enhanced pension charge to Statement of Comprehensive Income	<u>-</u>	<u>-</u>
Total Pension Cost for Year within staff cost	<u>5,042</u>	<u>4,350</u>

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools 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 has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

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

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.68% from September 2019 to March 2024).

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

The pension costs paid to TPS in the year amounted to £3,228,822 (2024: £3,411,098).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by West Northamptonshire Council on behalf of Cambridgeshire County Council. The total contribution including deficit contribution payment made for the year ended 31 July 2025 was £2,683,313 of which employer's contributions totaled £2,104,052 and employees' contributions totaled £579,261. The employer's contribution rate decreased from 23.5% to 20.1% from 1st April 2025 and will decrease to 19.1% with effect from 1st April 2026. Contribution rates range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2023 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%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.75%	2.75%
Commutation of pensions to lump sums	51%	51%

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

	At 31 July 2025	At 31 July 2024
	Years	Years
<i>Retiring today</i>		
Males	21.3	21.10
Females	24.3	24.30
<i>Retiring in 20 years</i>		
Males	22.3	22.00
Females	25.7	25.60

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

	Long term rate of return expected at 31 July 2025	Fair value at 31 July 2025 £'000	Long-term rate of return expected at 31 July 2024	Fair Value at 31 July 2024 £'000
Equities	5.85%	60,392	5.00%	55,013
Bonds	5.85%	23,543	5.00%	23,163
Property	5.85%	16,377	5.00%	16,407
Cash	5.75%	2,047	4.95%	1,930
Total fair value of plan assets		102,359		96,513
Actual return on plan assets		5,308		8,518

The amount included in the balance sheet in respect of the defined benefit pension plan and enhanced pensions benefits at 31st July is as follows:

	2025 £'000	2024 £'000
Fair value of plan assets	102,359	96,513
Present value of liabilities	(65,396)	(72,906)
Less notional surplus not recognised	(36,963)	(23,607)
Net pensions (liability) (Note 15)	-	-

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

Amounts recognised in the Statement of Comprehensive Income in respect of the plan for the year ending 31st July are as follows:

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	1,809	1,806
Past service cost	-	-
Total	1,809	1,806

	2025	2024
	£'000	£'000
Amounts included in investment income		
Net interest income	1,187	897
Return on pension plan assets	472	4,086
Changes in assumptions underlying the present value of plan liabilities	11,400	738
Less notional surplus not recognized	(13,356)	(5,973)
Amount recognised in Other Comprehensive Income	(1,484)	(1,149)

Movement in net defined benefit (liability) during year

	2025	2024
	£'000	£'000
Deficit in scheme at 1 August	-	-
Movement in year:		
Current service cost	(1,809)	(1,806)
Employer contributions	2,105	2,057
Past service cost	-	-
Contributions unfunded benefits	1	1
Net interest on the defined (liability)	1,187	897
Actuarial gain	11,872	4,824
Less notional surplus not recognized	(13,356)	(5,973)
Net defined liability at 31 July	-	-

Asset and Liability Reconciliation

	2025	2024
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	72,906	69,908
Current service cost	1,809	1,806
Interest cost	3,649	3,535
Contributions by Scheme participants	580	497
Changes in financial assumptions	(11,400)	(738)
Estimated benefits paid	(2,147)	(2,101)
Settlements	(1)	(1)
Past service cost	-	-
Defined benefit obligations at end of period	65,396	72,906

	2025	2024
	£'000	£'000
Reconciliation of assets		
Fair value of plan assets at start of period	96,513	87,542
Interest on plan assets	4,836	4,432
Return on plan assets	472	4,086
Other experience	-	-
Employer contributions	2,105	2,057
Contributions by Scheme participants	580	497
Estimated benefits paid	(2,147)	(2,101)
Fair value of plan assets at end of period	102,359	96,513

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. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

On 5 June 2025, the Government announced that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Once the legislation has been passed, this will mean that pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised as a result of this ruling, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

The Governors will continue to monitor the developments and consider the impact on the LGPS liabilities recognised by the College.

21. Related party transactions

Due to the nature of the College's operations and the composition of the Board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of

governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the governors (including the Principal) during the year was £353 (2023/24: £45 to governors including the Principal). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2023/24: Nil).

22. Amounts disbursed as agent

Learner support funds

	2025 £'000	2024 £'000
Balance brought forward	223	160
Funding body grants – hardship support	593	671
Adult Learner Loan repayment	(26)	(19)
Disbursed to students	(565)	(562)
Administration costs	(31)	(27)
Balance unspent as at 31 July, included in creditors	194	223

The College distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE. In the accounting period ended 31 July 2025, the college received a total of £593k and disbursed £565k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding, after charging £31k for administration costs. As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £220k, of which £26k relates to funds that are in scope to be returned to DfE in March 2026. Comparatives for the accounting period ended 31 July 2024 are £671k received from DfE, £562k disbursed to learners, after charging £27k for administration costs, and total cumulative unspent funds of £242k, of which £63k was repaid to DfE.