Chesterfield College Annual Report and Financial Statements

Year ended 31 July 2025

Chesterfield College Group

Chesterfield College

Contents

Chesterfield College

Reference and Administrative Details

Corporation

A full list of members is given on pages 17-20 of these financial statements.

Clerk to the Corporation

Jessica Shore

Sandra Cox

Senior Post Holders

Julie Richards OBE	Principal and CEO; Accounting Officer Chesterfield College
Claire Godfrey	Deputy Principal
Thomas Kidsley	Assistant Principal Finance, IT & Estates

Principal and Registered Office

Infirmary Road, Chesterfield, S41 7NG

Professional advisors

External auditors Forvis Mazars LLP

Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Internal auditors ICCA Education Training and Skills Ltd

Spaces Crossway, Office 637, 156 Great Charles Street Queensway, Birmingham, B3 3HN

Solicitors Forbes Solicitors

Gordon House Sceptre Way, Bamber Bridge, Preston, England, PR5 6AW

Bankers Barclays Bank PLC

1 Churchill Place, London, E14 5HP

Chesterfield College

Report of the Corporation including the Strategic Report

OBJECTIVES AND STRATEGY

The members present their annual report together with the financial statements and auditor's report for Chesterfield 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 the business. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Mission, Vision and Strategy

The College's strategic plan covers a three-year period between 2024 and 2027, the College's mission and vision are:

<u>Our Mission</u>
Inspiring Futures, Changing Lives.

<u>Our Vision</u>
Empowering people, through education, where individuals grow and communities thrive.

Annual self-assessment of governance

The Corporation Board last conducted its annual self-assessment in December 2025. The overall judgement for governance was self-assessed as Good.

An external board review was undertaken in June 2024, the overall conclusion on Board effectiveness is that 'there is strong evidence that the Board is highly proficient and consistently impacts positively on college strategy, effectiveness, and outcomes'.

Implementation of Strategic Plan

The Group adopted a 3-year strategic plan covering the period 2024-2027 following an extensive consultation with stakeholders, the strategic plan is reviewed annually. The strategic plan acts as a statement of the collective ambition for The Chesterfield College Group.

Our mission is "Inspiring Futures, Changing Lives" and our vision is to empower people through education so that individuals grow and communities thrive. This strategic focus shapes our resource allocation, investment priorities and performance targets across the college.

The college's 2024–27 strategic plan sets five core priorities - People, Performance, Prosperity, Place and Planet which guide operational decisions, workforce investment and curriculum development to meet local, regional and national skills needs.

We continue to invest in our colleagues, facilities and resources to equip the local economy with the skills it needs to prosper; this includes targeted spending on staff development, digital capability and capital projects that support progression pathways for students and apprentices.

The college prioritises collaborative relationships with schools, employers, parents and local stakeholders to support learner outcomes and economic growth and aims to increase profitability where possible to reinvest in services and infrastructure for the benefit of the community.

Environmental sustainability is embedded in our strategy: the curriculum and campus initiatives promote sustainable materials and technologies, carbon reduction measures and community engagement in support of the Further Education Climate Action Road Map.

Resources

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

Tangible resources include the main College site on Infirmary Road, Langer Lane and leased premises at Derby.

The group has net assets of £17,322,000 (2023-24: £15,913,000) and total debt of £2,708,000 (2023-24: £2,931,000) with the Department for Education.

At 31st July 2025 the Group employed 563 people (2023-24: 547), of whom 226 (2023-24: 216) were teaching or work-based tutors.

During the financial year 2024-25 the College enrolled approximately 5,867 students. The College's student population includes 2,947 16-to-18-year-old students, 1,375 apprentices, 157 higher education students and 1,338 adult learners.

The Group has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students, employer engagement and external relationships including Local Enterprise Partnerships.

The College received an Ofsted inspection in November 2022 which resulted in the College being graded as 'Good' (an improvement on the previous grading) with a Skills rating of 'Strong'. This is a brilliant result and demonstrates how the College is able to deliver for our learners, our local employers and the wider community. Training Services 2000 Ltd received an Ofsted inspection in June 2023 which resulted in a 'Good' grading with 'Good' across all areas.

Stakeholders
The Group has many stakeholders including:

- Current, future and past students;
- Staff and their trade unions;
- Bank;
- Local and national employers;
- The local community;
- Local borough council, combined authority and Local Enterprise Partnerships;
- Education sector funding bodies;
- FE Commissioner & other FE and HE institutions;
- Professional bodies.

Public Benefit

Chesterfield College is an exempt charity under the 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 page 17-20. In setting and reviewing the Group'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 Group provides the following identifiable public benefits through the advancement of education:

- High quality teaching and learning
- Widening participation and tackling social exclusion
- Excellent employment record for students, providing 'work ready' students
- Strong student support systems
- Links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

DEVELOPMENT AND PERFORMANCE

Financial Results

The inclusion of the LGPS pension costs in accordance with FRS102 has a significant impact on the presentation of the accounts.

The table below shows the financial outturn position and the impact of these charges for the group.

	2025	2024
	£'000	£'000
Surplus/ (deficit) before tax	2,150	800
Adjustment for non-operational items:		
- Asset impairment	-	-
- Gain on sale of asset	-	-
- Pension Reserve	-	-
Costs	(741)	(512)
Underlying operating surplus/ (deficit)	1,409	288

2024-25 the Group turned an operating surplus of £1,409,000 (2023-24 £288,000). This is due to:

- Strengthen apprenticeship margins through targeted withdrawal of low-demand, low-return provision.
- Drive growth in 16–19 enrolments supported by an efficient delivery model and continuous review of staffing and class size viability.
- Enforce robust governance over new and replacement roles, with approval contingent on demonstrated utilisation and efficiency.

In 2024/25, the College has sustained its financial recovery following decisive actions in FY22/23 and FY23/24. Targeted investment in the curriculum delivery model has continued, and a higher educational EBITDA target has been established to further strengthen balance sheet resilience and support the College's long-term viability and growth from FY25/26 and beyond.

Cash flows and liquidity

At £12,163,000 (2023-24: £2,981,000), net cash flow from operating activities which was strong and much improved position to previous years, driven by the financial turnaround of the Group after the rebase of the Groups apprenticeship provision and improvements made to the efficiency of study programmes.

The Group has continued to make improvement in working capital flows and cash flow management procedures to ensure it maintains positive net cash flows from operating activities.

Developments

Capital expenditure incurred during 2024-25 amounted to £9,302,000 and includes spend on the transformation fund as part of a grant agreement with the DfE. (2023-24: £2,489,000).

Reserves

The Group has accumulated positive reserves of £17,322,000 (2023-24: £15,913,000). The Group also has cash and short-term investment balances of £5,665,000 (2023-24:

£3,209,000) and continues to keep a tight control over cash balances through effective cash flow forecasting and cash management. The Group wishes to continue to accumulate reserves and cash balances to create a contingency fund.

Sources of income

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, ESFA provided 85.8% (2023/24: 87.0%) of the Group's total income.

Group companies

The Group has three trading subsidiary companies, Training Services 2000 Limited, Recruit Unlimited Limited and Learning Unlimited ATA Limited. Chesterfield College Enterprises Limited has ceased trading.

The principal activity of Training Services 2000 Limited is as a training provider, whilst Recruit Unlimited Limited carries out recruitment services and provides ancillary support services. Chesterfield College Enterprises Limited operated and no longer traded in 2024-25. Learning Unlimited ATA Limited is an apprenticeship training agency. Any taxable surpluses generated by the subsidiaries are transferred to the College by Gift Aid distribution.

In the current year, Training Services 2000 Limited generated a surplus of £394,431 (2023-24: £556,833), Recruit Unlimited Limited generated a surplus of £nil (2023-24: £1), Chesterfield College Enterprises Limited no longer traded in 2023-24 and had no transactions (2023-24: £nil) and Learning Unlimited ATA Limited incurred a surplus of £60 (2023-24: £1,995 deficit).

Letters of comfort have been provided for Recruit Unlimited Limited (£54,153) and Learning Unlimited ATA Limited (£21,123) confirming that Chesterfield College and its subsidiaries will not demand from the company the repayment of amounts owed for a period of twelve months from the date at which the financial statements for the year ended 31 July 2025 have been approved by the board and signed.

FUTURE PROSPECTS

Developments

The Group launched its new strategic plan in August 2024, covering a three-year period to July 2027 after an extensive stakeholder engagement programme to ensure all stakeholders to the Group had an input.

The Group has retained its mission as 'Inspiring Futures, Changing Lives', with the vision of 'empowering people through education, where individuals grow, and communities thrive'.

The strategic plan encompasses the core values, ensuring wellness is prioritised for students and staff and that the College provides a safe and supportive environment in which to work and learn. The core values are to treat everyone with respect, to be an inclusive college, to operate with integrity and to be accountable.

The five strategic priorities (5 Ps) are People, Performance, Prosperity, Planet and Place, with the plan detailing what we will achieve by 2027 across Teaching and Learning, Curriculum, People, Partnerships, Innovation and Facilities & Resources.

Financial plan

The Group governors approved a three-year financial plan in July 2025 which set financial targets and objectives for the period to 31 July 2028. The Group are forecasting a financial health rating of 'Outstanding' for the year-ending 31 July 2026 with a year-end cash balance in line with plan. Focusing on growing educational EBITDA is crucial in ensuring the College has an effective and efficient curriculum, delivering both quality and financial outcomes.

Treasury policies and objectives

The Group has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Following the ONS reclassification of the Group, external borrowing is no longer permitted without Treasury approval.

Reserves

The College implemented a Reserves Policy in June 2024, the following parameters are those by which the Group measures the Reserves Policy; Cash balances – retention of a cash balance of £1.5m at the end of each financial year and Reserves – a general reserve value of at least £15m, which is approximately 50% of anticipated annual revenue income which includes adding back (or taking off) the impact of the Pension Provision. As at the balance sheet date, the Income and Expenditure reserve stands at positive £11,992,000 (2023/24: £10,410,000) inclusive of the LGPS pension actuarial loss of £741,000 (2023/24: £512,000). Without this revaluation gain, Income and Expenditure reserves would stand at £7,895,000

(2023/24: £6,542,000). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

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

A strategic Risk Register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The main risk factors affecting the College are outlined below:

- High levels of consistent and responsive services are not maintained
- Behaviours are not in line with college professional values
- Student performance outcomes & career aspirations are not achieved
- Strong and effective strategic partnerships are not maintained and enhanced
- Offer does not meet present and future stakeholder and economic needs
- Failure to respond to government education policies or funding changes
- Group unable to generate sufficient cash to operate
- Failure to innovate
- Downtime as a result of business continuity event
- Failure to comply with health and safety regulations within the College
- Failure to comply with statutory safeguarding duties
- Staff and student wellbeing
- Failure to maintain and invest in the Group Estate and Infrastructure

With the assistance of the College's internal auditors, the Senior Management Team have undertaken a comprehensive review of its strategic risks which will continue to be monitored throughout the financial year.

KEY PERFORMANCE INDICATORS

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Department for Education (DfE). The College is assessed by the DfE as having a 'Outstanding' financial health grade ('Good' in FY23/24). The College annual KPI's are below.

Finances			2024/25 Target	Year End Position	Variance
Prosperity	PRO8	DFE Financial Health Rating	GOOD	OUTSTANDING	ONE GRADE
	PRO9	Debt as % of Income	<10%	8.73%	-1.27%
	PRO10	Adjusted Operating Ratio (DFE)	>1%	1.86	0.86
	PRO11	Pay to Income Ratio	<68%	65.90%	-2.10%
	PRO12	EBITDA - % of adjusted income (DFE)	>6%	8.79%	2.79%
Student and Employer Satisfaction			**2024/25 Target**	**Year End Position**	**Variance**
Performance	PER1	Overall Student Satisfaction (end of year)	94%	93.70%	-0.30%
	PER2	Overall Employer Satisfaction (College)	3 out of 4 Stars	4 out of 4 Stars	1 Star
	PER3	Overall Employer Satisfaction (Derby)	3 out of 4 Stars	4 out of 4 Stars	1 Star
	PER4	Overall HE Student Satisfaction (end of year)	90%	N/A	N/A
16-18 Study Programmes			**2024/25 Target**	**Year End Position**	**Variance**
Performance	PER8	Overall Achievement	83%	83.70%	0.70%

	PER9	Vocational Achievement	85%	85.50%	0.50%
	PER10	English and Maths Achievement	80%	80%	0%
	PER11	High Grades (English)	16%	11%	-5%
	PER12	High Grades (maths)	13%	14%	1%
	PER13	Progression to a Positive Destination	94%	N/A	N/A
Adult Learning			2024/25 Target	Year End Position	Variance
Performance	PER16	Overall Achievement %	85%	83.90%	-1.10%
	PER17	Progression within College	39%	66%	27%
Apprenticeships			2024/25 Target	Year End Position	Variance
Performance	PER28	Achievement % (College)	64.00%	71.20%	7.20%
	PER29	Achievement % (Derby)	64.00%	80.70%	16.70%
	PER30	Progression to a Positive Destination	94%	N/A	N/A

Student Achievements

Overall class-based achievement rates in 24-25 were 83.7% (81.3% FY23/24) for 16–18-year-old students with 85.5% vocational achievement and 80% English and maths achievement with 83.9% (78.4% FY23/24) overall achievement for adult learners.

The strategic focus going into next year are improving achievement rates and outcomes across all areas.

Payment performance

The late payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the accounting period 1 August 2024 to 31 July 2025, the College paid the majority of invoices promptly and incurred no interest charges in respect of late payment for this period.

EQUALITY AND DIVERSITY

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's Intranet site.

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. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

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

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 ongoing basis.

Disability statement

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

a. Accessible premises – The College complies with the requirements to ensure that premises are accessible and reasonable adjustment is made to ensure that disabled students and staff can access our premises.

b. Training and development – The College delivers quality and diversity training and disability awareness training, including events specifically designed to enable tutors and support staff to deliver a better service to students with a disability.

c. There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.

d. The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.

e. The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

f. Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.

g. Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Trade union facility time

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

Numbers of employees who were employed in the relevant period	FTE employee number
3	2

Percentage of time	Number of employees
0%	0
1-50%	3
51-99%	0
100%	0

Total cost of facility time	£20,150
Total pay bill	£20,433,000
Percentage of total bill spent on facility time	0.099%

Time spent on paid trade union activities as a percentage of total paid facility time	0%

Going concern

The College has prepared these financial statements on the assumption that it is a going concern and will be able to trade into the foreseeable future. Informing this opinion, the Corporation Board have taken into account reports presented to it such as monthly management accounts, budgets, forecasts, DfE returns, cash flow forecasts, as well as reports prepared by its Internal and External auditors. The going concern assessment considered the Group financial operating forecasts and cash flow forecasts to July 2028.

The Group has set a reasonable Educational EBITDA target for FY25/26 including a healthy contingency. The budget planning process is robust and involves key internal and external stakeholders ensuring it remains achievable and risk assessed.

Cashflow forecasts up to the end of July 2028 demonstrate the group will have significant cash headroom which have been bolstered by the proceeds from the Lockoford Lane sale in FY22/23. The Group has sufficient headroom to withstand financial disruption and would still have sufficient cash reserves in an extreme scenario (i.e. a material drop income combined with increasing inflation and utility costs). The Group regularly reviews and updates the risk register assessing the impact and likelihood of risks with mitigations in place to reduce the impact of these risks and ensuring controls are in place and effective.

In addition to these reports the Corporation Board has taken into account the following actions;

- Rigorous cash flow forecasting
- Careful and prudent management of capital expenditure
- Improved cash generation and profitability following restructuring exercises completed in 2022-23 with focus on improving educational EBITDA
- Ensuring an effective and efficient curriculum that delivers both quality and financial outcomes

The Corporation Board has ensured that future surplus and cash flow projections have been prepared on a prudent basis.

The Group has net assets of £17,322,000 (2023/24: £15,913,000).

The College currently has a £2,708,000 (2023/24: £2,931,000) Term Loan outstanding with the Department for Education.

Accordingly, after making appropriate enquiries, the Corporation considers that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt a going concern basis in preparing the financial statements.

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 17 December 2025 and signed on its behalf by:

Beej Kaczmarczyk

Chair of Corporation

Chesterfield College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements. The Corporation has adopted the Code of Good Governance for English Colleges and operates in accordance with the requirements of the ESFA's College Financial Handbook.

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 Association of Colleges in The Code of Good Governance for English Colleges ("the Code").

In the opinion of the Governors, the College complies all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 25 June 2015.

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.

Governors 2024/25 01/8/2024 – 31/7/2025	Term of Office	Date of Appointment/ Reappointment*	Date of Resignation	Status of Appointment	Committees Served	Attendance 2024/25
Kaczmarczyk, Beej	1	04/07/2025*		Chair	Corporation	5/5
				Member	Finance & Corporate Services	4/4
				Member	Governance & Search	3/3
				Member	Remuneration	1/1
				Member	Transformation Fund Sub-Committee	3/4
Croot, John	2	24/11/2023		Member	Corporation	1/5

	1	24/11/2025* Pending Board approval		Chair	Finance & Corporate Services	4/4
				Member	Governance & Search	2/3
				Member	Remuneration	1/1
				Member	Transformation Fund Sub-Committee	3/4
Richards, Julie OBE	n/a			Principal/CEO	Corporation	5/5
				Member	Finance & Corporate Services	3/4
				Member	Standards & Performance	3/4
				Member	Governance & Search	2/3
				Member	Transformation Fund Sub-Committee	4/4
Hemper, Jan	4	11/04/2023*		Member	Corporation	2/5
				Member	Finance & Corporate Services	2/4
McKenzie, Leigh	4	11/04/2023*		Member	Corporation	3/5
				Member	Standards & Performance	2/3
Freeman, Howard	4	19/10/2023*		Member	Corporation	5/5
				Chair	Audit Committee	3/3
				Member	Remuneration	1/1
				Member	Governance & Search	3/3
Mycroft, Lou	4	15/10/2024*		Vice Chair	Corporation	5/5
				Chair	Standards & Performance	3/3
				Member	Remuneration	1/1
				Member	Governance & Search	2/3

Needham, Lee	4	15/10/2024*		Staff Governor (Curriculum)	Corporation	4/5
Martin-Standley, Sue	4	16/12/2021 16/12/2025* Pending Board approval		Member	Corporation	5/5
				Member	Standards & Performance	3/3
Beldham, Nicola	4	22/06/2023		Staff Governor (Support)	Corporation	3/5
					Standards & Performance	2/3
Glossop, Martyn	1	26/06/2025*		Co-opted Member	Standards & Performance	3/3
Veltman, Karl	4	25/05/2021	03/07/2025	Co-opted Member	Standards & Performance	3/3
Jones, Steve	4	24/11/2021 24/11/2025 Pending Board approval		Co-opted Member	Audit Committee	3/3
Wright, Simon	4	20/10/2022		Co-opted Independent Chair	Remuneration	1/1
Roberts, Steve	4	22/11/2022	05/06/2025	Co-opted Member	Audit Committee	2/2
				Co-opted Member	Transformation Fund Sub-Committee	4/4
Cashmore, Kirstie	4	21/09/2023	21/05/2025	Member	Corporation	1/3
Evans, Jason	4	21/09/2023		Member	Corporation	4/5
				Member	Transformation Fund Sub-Committee	4/4
Turner, Bobby	n/a	14/12/2023	31/07/2025	Student Governor	Corporation	3/5
Brown, Chantal	4	12/02/2024		Member	Corporation	5/5
Dewhurst, Peter	4	12/02/2024		Member	Corporation	4/5
Brunt, Jill	4	04/07/2024		Member	Corporation	3/5
Lindeman, Stuart	4	09/09/2024		Member	Corporation	5/5

				Member	Audit	3/3
				Member	Transformation Fund Sub-Committee	2/3
Fitzpatrick, Mark	4	23/10/2024	31/07/2025	Apprentice Governor	Corporation	4/5
Morris, Rod	4	13/02/2025		C-opted Member	Finance & Corporate Services	2/2

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 staff-related matters such as health and safety and environmental issues. The Corporation meets twice a term.

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 & Corporate Services, Remuneration, Audit, Standards & Performance, and Governance & Search.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.chesterfield.ac.uk or from the Clerk to the Corporation at the College's registered address.

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.

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.

Corporation meetings have continued to take place during the period of lockdown restrictions, albeit remotely, with detailed papers being distributed on a timely basis.

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 & Search Committee which comprises of five members of the Corporation and is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

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

Corporation performance

The Corporation has performed a self-assessment of its own performance for the year ended 31st July 2025 and concluded that performance had been 'Good' across the corporation Board and sub-committees.

An external board review was undertaken in June 2024 by Joanne Platt, the overall conclusion on Board effectiveness is that 'there is strong evidence that the Board is highly proficient and consistently impacts positively on college strategy, effectiveness, and outcomes' with a summary of the findings below.

The Board has experienced leadership in the Chair, Vice Chair and Committee Chairs, with skilled and committed Governors from senior leadership roles across a wide range of sectors, and Co-opted governors with specialist skills on committees. Governors are passionate about the college and ambitious for students. Governors are provided with a range of activities to meet with students, staff and employers and welcome the opportunities to triangulate data with staff, students and employers.

There are positive, supportive, respectful relations with the Senior Management Team and Head of Governance. Board and Committee papers are succinct, with the Board receiving four main reports, Corporate, Finance, Performance and Governance. Board members are respectful of each other and provide effective challenge to the Senior Management Team which is positively received. Risk is embedded in all reports to Board and Committees, with the Board having overall oversight. The Link Governor scheme provides additional assurance and insight into the key areas of Board oversight.

Decision making is collaborative and inclusive, with all Governors contributing to decision making.

The process to develop the new strategic plan was comprehensive and inclusive and included extensive consultation with students, staff and stakeholders. Governors found the information presented comprehensive and felt their views had been taken on board in developing the new plan. The reviewer identified many areas of effective practice, including the comprehensive approach to engagement with students in the development of the strategic plan, and the use of data for these consultations which demonstrated the importance the college places on the student voice.

The overall conclusion on Board Effectiveness is that there is strong evidence that the Board is highly proficient and consistently impacts positively on college strategy, effectiveness and outcomes.

The reviewer identified the following recommendations to improve governance still further: the introduction of a formal process for appraisal of the Chair, the introduction of written Link Governor reports to Board meetings and considering a reduction in the number of meetings. These actions have been implemented in 2024/25. The next review will take place in three years' time, in 2027/28.

Remuneration Committee

Throughout the year ending 31 July 2025 the College's Remuneration Committee comprised of three members of the Corporation and an Independent Co-opted Chair. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

Audit Committee

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

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

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

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

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

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 she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Chesterfield College and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control has been in place in Chesterfield College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance

- clearly defined capital investment control guidelines as well as ongoing cash flow forecasts
- 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 Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. On an annual basis the Audit Committee reports to the Corporation on a range of matters including the progress and status of the external audit, the progress and status of internal audit matters, the Risk Management framework, internal controls, as well as any FE Funding body issues.

Risks faced by the corporation

The Corporation Board have, on a number of occasions, been requested to identify and highlight their appetite for risk. This exercise was conducted with the internal auditors who carried out a similar exercise with the College’s Senior Management and Leadership teams. Such risks have been incorporated into the Colleges strategic risk register. Each risk is assessed and reviewed on a termly basis by the risk management group as well as the audit committee. On an ongoing basis new risks are identified and where appropriate risks will be removed.

Control weaknesses identified

The internal and external auditors as part of their routine work have drawn attention to the Audit Committee recommendations in relation to findings identified during their work. None of these findings are regarded as being significant weaknesses or failures.

Responsibilities under funding agreements

The Corporation has met its contractual responsibilities under its agreements and contracts with the ESFA.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place. The specific areas of work undertaken by the audit committee in 2024/25 and up to the date of the approval of the financial statements are:

- Review of the work and year-end report of the external auditors
- Agreeing a programme of work with the internal auditors and reviewing the output reports
- Review of the College’s statutory accounts
- Review of specific internal audit reports

- Review of the strategic risk register

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. Her 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, the appointed funding auditors in their management letters and other reports.

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

The 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 Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation receives reports from the Senior Management team and the Audit Committee in relation to risk and control as and when appropriate. 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 of the audit committee for the year ended 31 July 2025. Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate 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 17 December 2025 and signed on its behalf by:

Beej Kaczmarczyk	Julie Richards OBE
Chair of Corporation	Accounting Officer

Chesterfield College

Statement of Regularity, Propriety and Compliance

As accounting officer of the corporation of Chesterfield 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 noncompliance 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.

J Richards

Julie Richards OBE

Accounting Officer

17 December 2025

Chesterfield College

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 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 corporation will continue in operation.

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

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the College Financial Handbook. 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, ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 17 December 2025 and signed on its behalf by:

Beej Kaczmarczyk

Chair of Corporation

Chesterfield College

Independent auditor’s report to the members of Chesterfield College

Opinion

We have audited the financial statements of Chesterfield College (the ‘College’) and its subsidiaries (the ‘Group’) for the year ended 31 July 2025 which comprise the Group and College Statement of Comprehensive Income and Expenditure, the Group and College Statement of Changes in Reserves, the Group and College Balance Sheet, the Group 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 Group’s and College’s affairs as at 31 July 2025 and of the Group’s and College’s surplus of income over expenditure for the year then ended; and
- 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 Group and 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 Group's and 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 are 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the College and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Corporation including the Strategic Report and Statement of Corporate Governance and Internal Control.

We have nothing to report in respect of the following matters in relation to which the Framework and guide for external auditors and reporting accountants of colleges issued by the Department for Education requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or

- the College financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 26, 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 Group's and the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

In addition, we evaluated the Members of the Corporation's 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, revenue recognition (which we pinpointed to the cut off assertion for non-funding body grant income and miscellaneous income), 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; or
- the provider's expenditure on access and participation activities, as disclosed in 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 Group and 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
Forvis Mazars LLP (Dec 23, 2025 10:26:28 GMT)

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Date 23/12/2025

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

In accordance with the terms of our engagement letter dated 9 June 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 Chesterfield College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

This report is made solely to the corporation of Chesterfield College and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Chesterfield 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 Chesterfield College and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of Chesterfield 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 ESFA/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 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 for the purposes intended by Parliament, or that the financial transactions do not conform to the authorities which govern them.

Signed: Forvis Mazars LLP
Forvis Mazars LLP (Dec 23, 2025 10:26:28 GMT)

Forvis Mazars LLP

Date: 23/12/2025

Chesterfield College

Consolidated and College Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2025		Year ended 31 July 2024	
		Group £'000	**College £'000**	**Group £'000**	**College £'000**
INCOME					
Funding council grants	2	27,509	25,742	24,826	22,704
Tuition fees and education contracts	3	1,510	1,430	1,419	1,320
Other income	5	2,353	2,413	1,682	1,875
Investment income	7	56	56	1	1
Donations and Endowments	6	-	547	-	522
Total income		**31,428**	**30,188**	**27,928**	**26,423**
EXPENDITURE					
Staff costs	8	20,432	19,754	18,732	17,821
Other operating expenses	9	7,603	6,911	6,937	6,390
Depreciation	11	1,461	1,439	1,487	1,474
Amortisation and impairment	12	35	-	35	-
Interest and other finance costs	10	(253)	(253)	(64)	(64)
Total expenditure		**29,278**	**27,851**	**27,127**	**25,621**
Surplus/(deficit) before other gains and losses		**2,150**	**2,337**	**800**	**801**
(Loss) on disposal of assets	11	-	-	-	-
Surplus before tax		**2,150**	**2,337**	**800**	**801**
Taxation		-	-	-	-
Surplus for the year		**2,150**	**2,337**	**800**	**801**
Actuarial (loss) in respect of pensions schemes	21	(741)	(741)	(512)	(512)
Total Comprehensive Income for the year		**1,409**	**1,596**	**288**	**289**
Represented by:					
Unrestricted comprehensive income		**1,409**	**1,596**	**288**	**289**
		1,409	**1,596**	**288**	**289**

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

Chesterfield College

Consolidated and College Statement of Changes in Reserve

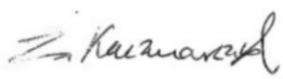
	Income and expenditure account	Revaluation reserve	Total
	£'000	**£'000**	**£'000**
Group			
Balance at 1st August 2023	9,950	5,676	15,626
Deficit from the income and expenditure account	800	-	800
Other comprehensive income	(512)	-	(512)
Transfers between revaluation and income and expenditure reserves	173	(173)	-
Total comprehensive income for the year	461	(173)	288
Balance at 31st July 2024	10,410	5,503	15,913
Surplus from the income and expenditure account	2,150	-	2,150
Other comprehensive income	(741)	-	(741)
Transfers between revaluation and income and expenditure reserves	173	(173)	-
Total comprehensive income for the year	1,582	(173)	1,409
Balance at 31st July 2025	11,992	5,330	17,322
College			
Balance at 1st August 2023	10,247	5,676	15,923
Deficit from the income and expenditure account	801	-	801
Other comprehensive income	(512)	-	(512)
Transfers between revaluation and income and expenditure reserves	173	(173)	-
Total comprehensive income for the year	462	(173)	289
Balance at 31st July 2024	10,709	5,503	16,212
Surplus from the income and expenditure account	2,337	-	2,337
Other comprehensive income	(741)	-	(741)
Transfers between revaluation and income and expenditure reserves	173	(173)	-
Total comprehensive income for the year	1,769	(173)	1,596
Balance at 31st July 2025	12,478	5,330	17,808

Chesterfield College

Consolidated and College Balance sheets as at 31 July 2025

	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Non-current assets					
Tangible Fixed assets	11	31,137	30,735	23,298	22,949
Intangible fixed assets	12	368	76	327	-
Investments	13	-	1,000	-	1,000
		31,505	**31,811**	**23,625**	**23,949**
Debtors: amounts falling due after one year	14	**1,474**	**1,474**	**1,566**	**1,566**
Current assets					
Trade and other receivables	14	2,325	2,363	2,858	2,912
Cash and cash equivalents	19	5,665	5,578	3,209	2,879
		7,990	**7,941**	**6,067**	**5,791**
Creditors – amounts falling due within one year	15	(5,424)	(5,197)	(4,688)	(4,437)
Net current assets		**2,566**	**2,744**	**1,379**	**1,354**
Total assets less current liabilities		**35,545**	**36,030**	**26,570**	**26,869**
Creditors – amounts falling due after more than one year	16	(18,222)	(18,222)	(10,657)	(10,657)
Provisions					
Defined benefit obligations	18	-	-	-	-
Total net assets		**17,323**	**17,808**	**15,913**	**16,212**
Unrestricted Reserves					
Income and expenditure account		11,992	12,478	10,410	10,709
Revaluation reserve		5,330	5,330	5,503	5,503
Total unrestricted reserves		**17,322**	**17,808**	**15,913**	**16,212**

The financial statements on pages 35 to 64 were approved and authorised for issue by the Corporation on 17 December 2025 and were signed on its behalf on that date by:



Beej Kaczmarczyk
Chair of Corporation

Julie Richards OBE
Accounting Officer

Chesterfield College

Consolidated Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Surplus for the year		2,150	800
Adjustment for non-cash items			
Depreciation		1,461	1,487
Amortisation and impairment		35	35
Increase/(decrease) in debtors due within one year		533	(1,376)
Decrease in debtors due after one year		92	81
Increase in creditors due within one year		736	269
Increase in creditors due after one year		7,799	2,034
Pensions costs less contributions payable		(741)	(512)
Adjustment for investing or financing activities			
Investment income		(56)	(1)
Interest payable		154	164
Net cash flow from operating activities		12,163	2,981
Cash flows from investing activities			
Investment income		56	1
Payments made to acquire fixed assets		(9,376)	(2,489)
		(9,320)	(2,488)
Cash flows from financing activities			
Interest paid on loans		(153)	(158)
Interest element of finance lease rental payments		(1)	(6)
Repayments of amounts borrowed		(229)	(222)
Capital element of finance lease rental payments		(11)	(4)
		(394)	(390)
Increase in cash and cash equivalents in the year		**2,449**	**103**
Cash and cash equivalents at beginning of the year	19	3,209	3,113
Cash and cash equivalents at end of the year	19	5,665	3,209

Chesterfield College

Notes to the Financial Statements

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 to 2025 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, Training Services 2000 Limited, Recruit Unlimited Limited, Chesterfield College Enterprises Limited and Learning Unlimited ATA Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. 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 College has prepared these financial statements on the assumption that it is a going concern and will be able to trade into the foreseeable future. Informing this opinion, the Corporation Board have taken into account reports presented to it such as monthly management accounts, budgets, forecasts, DfE returns, cash flow forecasts, as well as reports prepared by its Internal and External auditors. The going concern assessment considered the Group financial operating forecasts and cash flow forecasts to July 2026.

The Group has set a reasonable Educational EBITDA target for FY24/25 including a healthy contingency. The budget planning process is robust and involves key internal and external stakeholders ensuring it remains achievable and risk assessed.

Cashflow forecasts up to the end of July 2026 demonstrate the group will have significant cash headroom as a result of the financial turnaround in FY23/24 and sale of Lockoford Lane in FY22/23. The Group has sufficient headroom to withstand financial disruption and would still have sufficient cash reserves in an extreme scenario (i.e. a material drop income combined with increasing inflation). The Group regularly reviews and updates the risk register assessing the impact and likelihood of risks with mitigations in place to reduce the impact of these risks and ensuring controls are in place and effective.

In addition to these reports the Corporation Board has taken into account the following actions;

- Rigorous cash flow forecasting
- Careful and prudent management of capital expenditure
- Improved cash generation and profitability following restructuring exercises completed in 2022-23 with focus on improving educational EBITDA
- Ensuring an effective and efficient curriculum that delivers both quality and financial outcomes

The Corporation Board has ensured that future surplus and cash flow projections have been prepared on a prudent basis.

The Group has net assets of £15,913,000 (2022/23: £15,325,000).

The College currently has a £2,931,000 (2022/23: £3,152,000) Term Loan outstanding with the Department for Education.

Accordingly, after making appropriate enquiries, the Corporation considers that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt a going concern basis in preparing the financial statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by 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 Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

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

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

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

Capital grant funding

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

Fee income

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

Investment income

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

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

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

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

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

Short term Employment benefits

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

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 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 on a straight line basis over their expected useful life to the College of 50 years.

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

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 5 and 50 years.

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, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £5,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- motor vehicles 4 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.

Intangible assets and goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Income and Expenditure Account over its estimated economic life.

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1st 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

Investments in subsidiaries

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

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 Group 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 that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Useful economic lives of tangible fixed assets*

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

- *Local Government Pension Scheme*

  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 Chesterfield College Group 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. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2024 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.

2 Funding council grants

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Recurrent grants				
Education and Skills Funding Agency – adult	2,365	2,365	1,951	1,951
Education and Skills Funding Agency – 16 -18	18,084	18,084	16,262	16,262
Education and Skills Funding Agency – apprenticeships	5,834	4,067	5,564	3,443
Office for Students	118	118	166	166
Specific grants				
Education and Skills Funding Agency – teachers' pension scheme contribution grant	672	672	520	520
Releases of government capital grants	431	431	363	363
Other specific grants	5	5	-	-
Total	**27,509**	**25,742**	**24,826**	**22,705**

3 Tuition Fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2025 Group £'000	**2025 College £'000**	**2024 Group £'000**	**2024 College £'000**
Adult education fees	225	175	201	171
Apprenticeship contracts	58	28	72	49
Fees for FE loan supported courses	297	297	356	356
Fees for HE loan supported courses	930	930	791	745
Total	**1,510**	**1,430**	**1,420**	**1,321**

3 (continued) HE related income – College only

	2025 £'000	2024 £'000
Grant income from the Office for Students	118	169
Fee income for taught awards	812	576
	930	745

The Office for Students regulates higher education in the College and therefore the above table includes income relating to courses at Level 4 or higher only.

4 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Other grant income	1,156	1,156	650	650
Total	**1,156**	**1,156**	**650**	**650**

5 Other income

	Year ended 31 July		Year ended 31 July	
	2025 Group £'000	**2025 College £'000**	**2024 Group £'000**	**2024 College £'000**
Catering and residences	487	487	440	440
Other income generating activities	11	10	32	12
Miscellaneous income	700	761	560	774
Total	**1,198**	**1,258**	**1,032**	**1,226**

6 Donations – College only

	Year ended 31 July	Year ended 31 July
	2025 £'000	**2024 £'000**
Unrestricted donations from subsidiary companies	547	522
Total	**547**	**522**

7 Investment Income

	Year ended 31 July		Year ended 31 July	
	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Other interest receivable	56	56	1	1
Total	**56**	**56**	**1**	**1**

8 Staff costs – Group and College

The average number of persons (including key management personnel) employed during the year, based on average headcount, was:

	2025 Group No.	2025 College No.	2024 Group No.	2024 College No.
Teaching staff	226	201	216	196
Non-teaching staff	337	273	331	260
	563	**474**	**547**	**456**

Staff costs for the above persons

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Wages and salaries	15,628	15,166	14,518	13,885
Social security costs	1,607	1,541	1,290	1,103
Other pension costs	2,878	2,726	2,491	2,400
Payroll sub total	**20,113**	**19,433**	**18,299**	**17,388**
Contracted out staffing services	320	320	433	433
	20,432	**19,753**	**18,732**	**17,821**
Restructuring costs – Contractual	-	-	-	-
– Non contractual	-	-	-	-
Total Staff costs	**20,432**	**19,753**	**18,732**	**17,821**

The corporation does not have any salary sacrifice arrangements in place.

8 Staff costs – Group and College (continued)

Severance Payments

	2025 Group	2025 College	2024 Group	2024 College
£0 to £25,000	-	-	-	-

Staff costs included:	2025 £'000	2024 £'000
Access and Participation related costs		
Access Investment	187	179
Financial Support	40	35
Disability Support	18	17
Research and Evaluation	161	150
	406	**381**

The College's Access and Participation Plan can be found at https://www.chesterfield.ac.uk/knowledge-base/higher-education-access-and-participation-plan/.

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 Post Holders, as detailed on page 3. This now includes Senior Post Holders only, rather than Senior Management Team in prior year. Staff costs include compensation paid to key management personnel or 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:	**3**	**3**

8 Staff costs – Group and College (continued)

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	2024	2025	2024
	No.	No.	No.	No.
£55,000 to £60,000 p.a.	-	-	3	1
£60,001 to £65,000 p.a.	-	1	3	3
£65,001 to £70,000 p.a.	-	-	3	2
£70,001 to £75,000 p.a.	-	-	1	1
£75,001 to £80,000 p.a.	1	-	-	-
£85,001 to £90,000 p.a.	-	1	-	-
£95,001 to £100,000 p.a.	1	-	-	-
£100,001 to £105,000 p.a.	-	-	-	-
£115,001 to £120,000 p.a.	-	-	-	-
£155,001 to £160,000 p.a.	-	1	-	-
£165,001 to £170,000 p.a.	1	-	-	-
	3	**3**	**10**	**7**

Key management personnel compensation is made up as follows:

	2025	2024
	£'000	£'000
Salary – gross of salary sacrifice & waived emoluments	336	306
Social security contributions	45	38
Benefits in kind	3	3
Pension contributions	74	64
Total key management personnel compensation	**458**	**411**

The above compensation includes amounts paid to the Principal and Chief Executive who is the accounting officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2025	2024
	£'000	£'000
Basic salary	164	159
Other including benefits in kind	3	3
Pension contributions	32	31
	199	**193**

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

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 who use benchmarking information to provide objective guidance.

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

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

	2025 £'000	2024 £'000
Principal's basic salary as a multiple of the median of all staff	5.26	5.55
Principal and CEO's total remuneration as a multiple of the median of all staff	5.28	5.34

The above have been calculated by dividing the median annualised salary of all staff employed by the Group during the year (excluding agency workers and the Principal), by the annual salary of the Principal for the year.

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

9 Other operating expenses

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Teaching costs	3,019	2,761	2,376	2,182
Non-teaching costs	2,309	2,228	2,432	2,383
Premises costs	2,274	1,922	2,130	1,826
Total	**7,602**	**6,911**	**6,938**	**6,391**

Other operating expenses include:	**2025 £'000**	**2024 £'000**
Auditors' remuneration:		
Financial statements audit*	53	58
Internal audit**	13	25
Other services provided by the financial statements auditor	8	30
Hire of assets under operating leases	126	182

* includes £42,000 in respect of the College
** includes £13,000 in respect of the College

10 Interest & other finance costs – Group & College

	2025	2024
	£'000	£'000
On bank loans, overdrafts and other loans:	153	158
	153	158
On finance leases	1	6
Net interest on defined pension liability (note 21)	(407)	(228)
Total	**(253)**	**(64)**

11 Tangible fixed

Group	Freehold Land and Buildings	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2024	28,048	9,42	2,581	40,054
Additions	-	54	9,301	9,355
Disposals	-	(79)	-	(79)
Cost transfer	81	1,421	(1,502)	-
At 31 July 2025	**28,129**	**10,821**	**10,380**	**49,330**
Depreciation				
At 1 August 2024	10,258	6,497	-	16,755
Elimination in respect of disposals	-	(79)	-	(79)
Charge for the year	786	675	-	1,461
At 31 July 2025	**11,044**	**7,093**	**-**	**18,137**
Net book value at 31 July 2025	**17,085**	**3,728**	**10,380**	**31,193**
Net book value at 31 July 2024	17,790	2,928	2,581	23,298

College	**Freehold Land and buildings**	**Equipment**	**Assets in the course of construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost or valuation				
At 1 August 2024	27,591	8,903	2,581	39,075
Additions	-	-	9,301	9,301
Disposals	-	(79)	-	(79)
Cost transfer	81	1,421	(1,502)	-
At 31 July 2025	**27,672**	**10,245**	**10,380**	**48,297**
Depreciation				
At 1 August 2024	10,127	5,999	-	16,126
Elimination in respect of disposals	-	(79)	-	(79)
Charge for the year	777	662	-	1,439
At 31 July 2025	**10,904**	**6,582**	**-**	**17,486**
Net book value at 31 July 2025	**16,768**	**3,663**	**10,380**	**30,811**
Net book value at 31 July 2024	17,464	2,904	2,581	22,949

The net book value of equipment includes an amount of £126,000 (2024: £165,000) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £38,000 (2024: £155,000).

12 Intangible fixed assets (Group)

	Goodwill
	£'000
Cost or valuation	
At 1 August 2024	1,036
At 31 July 2025	**1,036**
Amortisation	
At 1 August 2024	709
Amortisation charge for the year	35
At 31 July 2025	**744**
Carrying amount at 31 July 2025	**292**
Carrying amount at 31 July 2024	**327**

13 Non-current investments

	College 2025 £'000	College 2024 £'000
Investments in subsidiary companies	1,000	1,000
Total	**1,000**	**1,000**

The College owns 100% of the issued ordinary £1 shares of Training Services 2000 Limited, a company incorporated in England and Wales. The principal business activity of the company is that of a training provider.

The College owns 100% of the issued ordinary £1 shares of Recruit Unlimited Limited, a company incorporated in England and Wales. The principal business activity of the company is that of a recruitment business.

The College owns 100% of the issued ordinary £1 shares of Learning Unlimited ATA Limited, a company incorporated in England and Wales. The principal business activity of the company is that of an apprenticeship training agency.

The College owns 100% of the issued ordinary £1 shares of Chesterfield College Enterprises Limited, a company incorporated in England and Wales. The principal business activity of the company is that of running licensed restaurants.

14 Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Amounts falling due after one year:				
Prepayments	**1,474**	**1,474**	**1,566**	**1,566**
Amounts falling due within one year:				
Trade receivables	360	330	545	505
Other Debtors	625	622	1,303	1,301
Amounts owed by group undertakings:				
Subsidiary undertakings	-	299	-	360
Prepayments and accrued income	853	758	526	443
Amounts owed by the DFE	486	354	484	304
Total	**2,324**	**2,363**	**2,858**	**2,913**

15 Creditors: amounts falling due within one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank loans and overdrafts	-	-	-	-
Department for education loan	221	221	221	221
Obligations under finance leases	11	11	10	10
Trade payables	584	520	456	392
Other taxation and social security	456	385	324	276
Accruals and deferred income	546	480	1,042	944
Holiday pay accrual	65	64	39	37
Deferred income - government capital grants	486	486	402	402
Deferred income - government revenue grants	124	124	153	153
Amounts owed to the DFE	515	515	629	629
Other creditors	2,416	2,390	1,410	1,372
Total	**5,424**	**5,196**	**4,686**	**4,436**

16 Creditors: amounts falling due after one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Department for education loan	2,487	2,487	2,709	2,709
Obligations under finance leases	-	-	11	11
Deferred capital grants	15,735	15,735	7,936	7,936
Total	**18,222**	**18,222**	**10,656**	**10,656**

17 Maturity of debt

(a) Department for education Loan

Bank loans and overdrafts are repayable as

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
In one year or less	221	221	221	221
Between one and two years	221	221	221	221
Between two and five years	663	663	663	663
In five years or more	1,603	1,603	1,826	1,826
Total	**2,708**	**2,708**	**2,931**	**2,931**

17 Maturity of debt (Continued)

On 30 March 2023 the outstanding loan with Barclays was fully repaid with funds being received from the Department for Education. The new loan was for a facility of £3,256,971.48. Repayment is due via 58 equal quarterly payments due quarterly, and interest charged at the PWLB Standard Rate.

(b) Finance leases

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

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
In one year or less	11	11	10	10
Between two and five years	-	-	12	12
In five years or more	-	-	-	-
Total	**11**	**11**	**22**	**22**

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

18 Provisions (Group and College)

	Defined benefit obligations £'000	Other £'000	Total £'000
At 1 August 2024	(7,987)	-	(7,987)
(Debits) in the period	-	-	-
At 31 July 2025	**(7,987)**	**-**	**(7,987)**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 21.

19 Analysis of changes in net debt

	At 1 August 2024	New Loans	Cash flows	Other Changes	At 31 July 2025
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	3,209	-	2,456	-	5,665
Loans – short term	(221)	-	-	-	(221)
Loans – long term	(2,710)	-	221	-	(2,489)
Finance lease obligations – short term	(10)	-	-	(1)	(11)
Finance lease obligations – long term	(11)	-	11	-	-
Total	**257**	**-**	**2,688**	**(1)**	**2,944**

20 Lease obligations

At 31 July 2025 the College had minimum lease payments under non-cancellable operating leases as follows:

	Group and College	
	2025	**2024**
	£'000	**£'000**
Future minimum lease payments due		
Land and buildings		
Not later than one year	234	144
Later than one year and not later than five years	841	-
Later than five years	-	-
Total lease payments due	1,075	144

21 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 Derbyshire 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.

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.

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 Corporation will continue to monitor the developments and consider the impact on the LGPS liabilities recognised by the Corporation.

Total pension cost for the year		**2025**		**2024**
		£'000		**£'000**
Teachers' Pension Scheme: contributions		1,909		1,482
Local Government Pension Scheme:				
Contributions paid	1,941		1,889	
FRS 102 (28) charge	65		(284)	
Charge to the Statement of Comprehensive Income		2,006		1,605
Enhanced pension charge to Statement of Comprehensive Income		-		-
Total Pension Cost for Year within staff		**3,915**		**3,087**

Teachers' Pension Scheme

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

21 Defined benefit obligations (continued)

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

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

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from 1 April 2024 to 31 March 2027 (compared to 23.68% during 2023-24). The DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2024-25 academic year.

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

The pension costs paid to TPS in the year amounted to £1,909,000 (2024: £1,482,000)

21 Defined benefit obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Derbyshire County Council Local Authority. The total contributions made for the year ended 31 July 2024 were £1,889,000, of which employer's contributions totalled £1,464,000 and employees' contributions totalled £425,000. The agreed contribution rates for future years are 20.2% to 21.5% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

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

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.75%	3.75%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.00%	2.75%
Commutation of pensions to lump sums	60.00%	60.00%

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
Retiring today		
Males	21.0	20.8
Females	23.8	23.8
Retiring in 20 years		
Males	21.8	21.5
Females	25.3	25.3

21 Defined benefit obligations (continued)

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

	2025	**2024**
	£'000	**£'000**
Fair value of plan assets	58,825	54,649
Present value of plan liabilities	(41,998)	(46,662)
Less: Notional surplus not recognised	(16,827)	(7,987)

Net pensions asset/(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 Group will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102

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

	2025	**2024**
	£'000	**£'000**
Amounts included in staff costs		
Current service cost	1,265	1,180
Past service cost	-	-
Total	**1,265**	**1,180**
Amounts included in interest and other finance costs		
Net interest (income)/cost	(407)	(228)
	(407)	**(228)**
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	839	2,578
Experience losses arising on defined benefit obligations	449	(1,500)
Changes in assumptions underlying the present value of plan liabilities	6,811	2,025
Less: Notional surplus not recognised	(8,840)	(3,615)
Amount recognised in Other Comprehensive Income	**(741)**	**(512)**

Movement in net defined benefit liability during year

		2025	**2024**
		£'000	**£'000**
Net defined benefit asset in scheme at 1 August 2024		-	-
Movement in year:			
	Current service cost	(1,265)	(1,180)
	Employer contributions	1,599	1,464
	Past service cost	-	-

Net interest on the defined	407	228
Actuarial gain or loss	8,099	3,103
Less: notional surplus not	(8,840)	(3,615)
Net defined benefit asset at 31 July 2025	**-**	**-**

21 Defined benefit obligations (continued)

Asset and Liability Reconciliation

	2025 £'000	2024 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	46,662	44,700
Current service cost	1,265	1,180
Interest cost	2,338	2,263
Contributions by Scheme participants	446	425
Experience gains and losses on defined benefit obligations	(449)	1,500
Changes in financial assumptions	(7,008)	(1,931)
Changes in demographic assumptions	197	(94)
Estimated benefits paid	(1,453)	(1,381)
Past Service costs	-	-
Defined benefit obligations at end of period	**41,998**	**46,662**
Changes in fair value of plan assets		
Fair value of plan assets at start of period	54,649	49,072
Interest on plan assets	2,745	2,491
Return on plan assets	839	2,578
Employer contributions	1,599	1,464
Contributions by Scheme participants	446	425
Other Experience	-	-
Estimated benefits paid	(1,453)	(1,381)
Fair value of plan assets at end of period	**58,825**	**54,649**

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 Group 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

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 Corporation will continue to monitor the developments and consider the impact on the LGPS liabilities recognised by the Corporation.

22 Related party transactions

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

The total expenses paid to or on behalf of the members during the year was £Nil (2023: £Nil). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending meetings and charity events in their official capacity.

No member has received any remuneration or waived payments from the College or its subsidiaries during the year (2023: None).

Training Services 2000 Limited– a wholly owned subsidiary of Chesterfield College

Sales transactions in the year amount to £6,727 (2023: £15,960). Gift Aid paid from Training Services 2000 Limited amounted to £XXX (2023: £526,290). Chesterfield College had an outstanding receivable balance of £493,415 at the year-end (2023: £501,692)

Recruit Unlimited Limited - a wholly owned subsidiary of Chesterfield College

There were no sales or purchase transactions during the year (2023: £nil). Chesterfield College had an outstanding receivable balance of £74,793 at the year-end (2023: £67,347)

Learning Unlimited ATA Limited - a wholly owned subsidiary of Chesterfield College

Sales transactions in the year amount to £nil (2023: £5,039). Chesterfield College had an outstanding receivable balance of £21,529 at the year-end (2023: £28,547)

23 Amounts disbursed as agent

Learner support funds

	2025	2024
	£'000	£'000
16-18 bursary grants	558	541
Other funding council grants	12	33
	570	574
Disbursed to students	(474)	(506)
Administration costs	(26)	(24)
Balance unspent as at 31 July, included in creditors	70	44

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