

Fircroft College of Adult Education

Report and Financial Statements

Year ended 31 July 2025

Company number: 14776636
Charity registration number: 1204069

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel were represented by the following in 2024/25:

Mel Lenehan	Principal and CEO; Accounting Officer
Michael Conway-Jones	Vice Principal (resigned 30 th April 2025)

Board of Governors

A full list of Governors is given on pages 15 & 16 of these financial statements.

Principal and Registered Office 1018 Bristol Road, Selly Oak, Birmingham B29 6LH

Professional advisers

Financial Statements and Regularity Auditors

Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

Internal Auditors

RSM
St Philips Point
Temple Row
Birmingham
B2 5AF

Bankers

Lloyds Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Investment Management

Evelyn Partners
9 Colmore Row
Birmingham
B3 2BJ

FIRCROFT COLLEGE OF ADULT EDUCATION

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FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES

The members of the Governing Body present their report, which includes the strategic report, and the audited financial statements for the period ended 31 July 2025.

Legal status

Fircroft College was initially founded in 1909 and then re-established as a charitable trust on 10 September 1979. It became a charitable incorporated company on 1st August 2023, by transfer from Fircroft College Trust and its status as a designated institution under the Further and Higher Education Act 1992 for the purpose of conducting residential adult education was unaffected by incorporation. Unlike mainstream Further Education colleges, Fircroft College is regulated by the Charity Commission. It has no subsidiary undertakings. The College is also subject to regulation from other bodies such as DfE, and the Education and Skills Funding Agency (ESFA).

Fircroft College of Adult Education is limited by guarantee, and registered in England, number 14776636, and registered with Charity Commission as number 1204069. It's Governing Body is evaluating potential future options for the charitable trust.

Fircroft College Trust highlighted its intention to move to an incorporated structure in their 2021/22 Annual Financial Statements.

To align with this change in legal status the College developed its successor strategic plan, which was approved at the first Governing Body of Fircroft College of Adult Education Ltd on 12th July 2023. This strategy will run through until 2030 and aligns with the UN 2030 plan of action for People, Planet and Prosperity.

Public Benefit Test

The members of the Governing Body, who are directors and trustees of the charity, are disclosed on page 15. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

The student statistics on page 6 indicate the extent to which the College has met its own "social justice" mission.

Strategic Report

College objects and mission

As set out in its Articles of Association, the College's charitable objects are "*for the public benefit, provide and promote adult, further and higher education including, without limitation, the provision of residential education*".

The College's current mission is '*To promote social and climate/environmental justice by providing adults with an excellent learning environment for personal, professional and political development*'.

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

Values

Following an extensive review in 2023-24 academic year, the College has revised its values. These now are;

- Supportive
- Collaborative
- Anti-racist
- Brave
- Empowering
- Authentic

Implementation of strategic plan

Following a strategic review in 2018, the College had a five year strategy and implementation plan which focused on ensuring the long term sustainability of the College. This built upon the success of its previous strategy and was embedded across the College in terms of its delivery for 2024/25.

The college's strategic themes and goals for 2024/25 were reviewed by college leaders. The themes were revised to; Learning, Wellbeing, Equity, Digital and Environment and Sustainability. Following the Covid-19 pandemic, the college revised its strategic plan under the themes of, Respond, Recover, Restore and Rebuild.

The College's Strategic Goal moving forward to 2030 is;

To support the development of global sustainable citizens through residential adult education.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

The College had 32 ESFA, and 1,259 WMCA funded enrolments during 2024/25 against the 2023/24 figures of 38 and 1,312. Consequently, the college was successful in meeting its original funding allocation on its WMCA ASF allocation (by £ 1,692 100.2%) and met its grant allocation on Community allocation (£1,067,337 100%) whilst delivering £68,745 of its Free Courses for Jobs allocation (£90,600). In line with this delivery, the college also secured £194,516 in residential income alongside its Free Courses for Jobs allocation.

In line with its mission, Fircroft College recruits high proportions of learners who have few educational qualifications (defined as none or at level 1), are on means tested benefits or attract additional funding (disadvantaged uplift) by nature of the deprived area in which they live or their individual circumstances (e.g. mental health, substance abuse or ex-offender):

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (continued)

	Total ESFA funded Enrolments	Total WMCA funded Enrolments	Enrolments with few educational qualifications	Enrolments claiming benefits
Access course	0	22	3	6
Short courses – Adult Skills	4	517	205	458
Short courses – Community Learning	28	752	596	671
Total	32	1,291	804	1,135

Student achievements

The college runs accredited and unaccredited courses ranging from 1 day to 30 weeks and from Entry 3 to Level 3. In previous years our results have been significantly above the latest national Qualification Achievement Rates at every provision level, 2024/25 due to several reasons, this trend has not continued. There has been a significant drop in achievement in certain areas and this relates to an increase in the number of learners with few educational qualifications and the increased volume and complexity of learner support needs. Expected reasons for this increase relate to the reduction of externally funded support services and the gap in support available during Covid-19. This reduction is predominantly in our medium length provision (longer than 13 guided learner hours, but less than our 30 week course). The daily challenges facing many of our learners mean continuing and completing courses over an extended period are becoming more challenging than previous years which is impacting the colleges retention and subsequent achievement rates.

Provision Level	2023/24			2024/25		
	Retention Rate	Pass Rate	Achievement Rate	Retention Rate	Pass Rate	Achievement Rate
Entry Level 3	92.8%	92.9%	86.2%	90.2%	90.5%	81.6%
Level 1	95.5%	97.1%	92.7%	93.3%	92.8%	86.5%
Level 2	81.6%	90.9%	74.1%	91.9%	91.4	84.0%
Level 3	80.6%	100%	80.6%	75.3%	83.6%	63.0%

Curriculum Developments

In 2023/24 the college moved its Access programmes to deliver Free Courses For Jobs (FCFJ) funding for the first time. In line with our Accountability Agreement with DfE, we delivered the new Digital Functional Skills qualification, a Level 3 Digital programme and a Green Changemakers programme. We delivered two Local Skills Improvement Fund (LSIF) projects, leading on the Green Skills strand across the whole of Colleges West Midlands. We developed an Impact Framework mapped to our new college Strategy to measure the difference we make.

Ofsted Inspection

Fircroft had an enhanced Ofsted inspection in October 2023. We were graded Good overall and Outstanding for Behaviour and Attitudes. Inspectors judged that Fircroft was an inclusive learning environment, reaching

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Report of the Governing Body (continued)

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (continued)

learners furthest from the labour market, and that staff understand the challenges and needs of learners. Teachers were described "skilled" and "ambitious for learners". The board of governors was described as "experienced and dedicated". A key area for development was to work more closely with employers to develop the curriculum.

Performance Indicators

The college has a set of KPIs which are reported to the Management Team on a monthly basis. These are embedded into the business cycle of the Education Committee and we have now built up 3 years of data to discuss with governors as trends.

The College is required to complete the annual Finance Record for the Department for Education (DfE). The Finance Record produces a financial health grading (as defined by the DfE), and the College grading for 2024/25 is Outstanding (2023/24 - Good).

Fircroft continues to be recognised for the leadership we show in relation to our mission:

- Awarded Platinum accreditation in 2025 by Investors in People for people management and employee wellbeing
- one of the first colleges to be recognised as a College of Sanctuary
- early members of the Black FE Leadership Network
- first college to declare a climate emergency
- awarded the winner award for Campus, Health, Food and Drink at the Green Gown Awards for our success in moving to a plant-based menu
- Winner of learning provision at 2023 Festival of Learning awards

Future prospects

2021/22 marked the devolution of primary AEB funding away from ESFA to WMCA. WMCA issued contracts equal in value, and description to the legacy contracts previously issued by ESFA. In 2024/25 AEB funding rebranded as ASF funding and Community Learning funding renamed Tailored Learning.

The college adopted an interim approach to residential funding in 2024/25 at the request of WMCA. The college developed a fully transparent cost based residential methodology which the WMCA are looking to review and adopt in 2025/26. The college will undertake an open book accounting review in 2025/26 to ensure WMCA compliance and hopefully will lead to a more established long term funding model.

We continue to plan a full programme of courses in order to meet our WMCA and ESFA contract targets. Aligning our provision to meet regional and national priorities.

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (continued)

FINANCIAL POSITION

Financial results including financial objectives

The College reports a total surplus on all activity of £402,150 (2023/24 surplus of £357,384). Operationally the College reported a £213,648 surplus before investment gains (2023/24 £105,218), reflecting the success of its involvement in LSIF and Innovate UK projects against the combined pressures of cost inflation and continuing flat line funding on delivery of funding contracts during the 2024/25 funding year.

There was a welcome increase the value of its investment portfolio across the period due to improving economic circumstances.

The College continues to benefit from good levels of investment income, which reached £ 178,822. The valuation of its investment portfolio increased by a net £188,502 (4.8%) due to changes in market values, of which £199,272 are unrealised gains on valuation. The total amount recognised in the Statement of Comprehensive Income relating to investments is £367,324 (£411,415 in 2023/24).

The College has assessed its delivery of funding contracts, and calculated it has met 2024/24 performance targets for income (within approved tolerances).

Cash flow has been carefully managed during 2024/25, with balances increasing by £ 91,054 over the period. The College has not needed to seek support from external sources, and is free from borrowings.

The financial objectives set by the Governing Body and their achievement are set out below:

Objectives	Achieved?
Cash days (including short term investments) in excess of 25	Yes
Current ratio in excess of 1.5	Yes
Reserves more than 2 months core costs	Yes
Surplus for the period on core activities in excess of £20,000	Yes
15% - 25% of income to be non-governmental	No
No more than 70% of income to be payroll related	Yes
Generate cash inflow from operating activities	Yes

The College has accumulated unrestricted revenue reserves of £6,547,704 which includes £1,398,719 for the recognition of non-government grants under the Accounting Standard FRS 102 and is therefore not available for distribution, but to offset future depreciation charges.

Reserves Policy

During the period the Governing Body has reviewed its Reserves Policy, and has evaluated those reserves against best practice to cover restricted funds, non-distributable capital grants and essential infrastructure for the continuance of essential education services for beneficiaries. These reserves equate to £ 4.2m.

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

FINANCIAL POSITION (continued)

A further contingency reserve of £1.2m is considered appropriate to cover unforeseen circumstances including catastrophic events / funding reductions / maintaining adequate working capital.

The final £1.2m are considered free and available for use and has been designated to support capital development (including moving to net zero) at £1m, and strategic development (including supporting sustainability) at £0.2m. The deployment of these reserves will be balanced against the availability of cash funds to support these developments, and the operational impacts of using investment assets.

The College will review its level of reserves and its policy on an annual basis. The College policy meets the requirements of the DfE College Financial Handbook which was effective from 1 August 2024 (updated 1 August 2025).

Capital base and planned maintenance

The College has a long lease interest in the Bristol Road property which runs to 2055, which includes the responsibility for the maintenance of the buildings and grounds. The College operates an annual maintenance cycle and has implemented a 10 year capital plan. This plan utilises approved external funding as well as internal funded activities which are key to achieving the college's sustainability targets for 2030.

FEC benchmarks for maintenance expenditure were met.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate treasury management policy in place, which has been updated and approved by Operations Committee to ensure compliance with HM Treasury requirements under Managing Public Money following the reclassification of FE Colleges to the Central Government Sector. Under this policy any borrowings/overdrafts by the College must be pre-approved by HM Treasury.

Cash flows and liquidity

The College has seen a net cash inflow in 2024/25 of £91,504 (2023/24 inflow of £84,083). At 31st July 2025 the College had £4,098k of listed investments.

The College has no borrowings. It manages its surplus cash deposits to ensure the appropriate balance between interest generation and working capital.

Trade union facility time

The College does meet the criteria for publishing information under the Trade Union (Facility Time Publication Requirements) Regulations 2017 on facility time arrangements for trade union officials at the college.

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

FINANCIAL POSITION (continued)

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to pay invoices 30 days after either; the customer gets the invoice, or the delivery of the goods or service (if this is later). During the accounting period 1 August 2024 to 31 July 2025, the College paid 99 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

RESOURCES

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

Tangible resources include the buildings at the Bristol Road site, which are on a long lease (to 2055) from Bournville Village Trust. (The lease was reassigned to the College from the former Trust at incorporation, on application to Bournville Village Trust)

Financial - The College has £ 6.6m of net assets, with a turnover of £ 3.0m.

People - The College employs 54 people (expressed as average headcount basis), of whom 14 are teaching staff.

Reputation - The College has a very good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and building external relationships.

The College has finalised and approved its latest strategic plan which will run until 2030.

PRINCIPAL RISKS AND UNCERTAINTIES

Governors agreed and approved its Risk Management Policy in March 2018. The College Risk Register continues to follow this methodology. The key risk elements at the close of 2024/25 are:

- The negative effects of continuing flatline AEB funding, especially against growing inflationary pressures, energy and cost of living increases.
- Continuing uncertainty relating to residential uplifts made by funders (WMCA and ESFA)
- Continuing uncertainty relating to broader funding arrangements further to the DfE's funding and accountability consultation.
- Cyber/Ransomware risks, with potential loss of system capability and/or loss of data
- Staff turnover, retention and recruitment, with growing difficulties to attract and retain staff
- Staff wellness and wellbeing, impacting delivery.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes. The College submitted a detailed financial forecast to the DfE in July 2025, which provided

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Report of the Governing Body (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

clear analysis and commentary on the immediate financial years 2024/25, 2025/26 and 2026/27, also that the College has appeared to recruit well in terms of students for the academic year 2025/26, accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will adopt the going concern basis in the preparation of its financial statements.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Fircroft College has many stakeholders. These include:

- Students
- Funding Bodies including as our main funder the West Midlands Combined Authority (WMCA) and the ESFA
- Staff, Governors and volunteers
- The voluntary sector – locally, regionally and nationally – including as employers
- Community groups – locally and regionally
- Other FE and HE institutions – particularly the other Long-Term Residential Colleges and other Institutes of Adult Learning and regional GFE colleges through the CWM partnership (Colleges west Midlands)
- Birmingham and other LEAs through the Adult and Community Learning Alliance (ACLA)
- FE Colleges through Colleges West Midlands
- Employers directly related to our curriculum offer.

The College recognises the importance of these relationships and engages in regular communication with them through social media, regular meetings and by participating in relevant networks, joint funding bids, projects and special initiatives.

Since 1st August 2021 the majority (97%) of the College's AEB (including Community Learning) income comes directly through the West Midlands Combined Authority. The College is a member of the Colleges West Midlands Group (CWM) and the West Midlands Adult and Community Learning Alliance (ACLA). The WMCA engages regularly with both groups on AEB strategy and planning. The College also engages at a contract level regularly with WMCA staff. The College uses the WMCA AEB priorities in its curriculum planning.

Staff and student involvement

Employee engagement, consultation and communication is a fundamental part of the current College objectives. An Employee Voice Team is in place, and meets regularly, that is made up of a minimum 2 representatives from each area of the college, 2 employee representatives, the union representative and HR. This forum is a two way mechanism for employees and management to collaborate on changes and projects that affect working life at the College. The College produces a regular newsletter that aids communication and increases engagement. Staff are invited to termly briefings that cover strategy, news and issues.

Each academic year two student governors are elected to serve as members of the College's Governing Body, and they join two staff governors who are elected for a three year term.

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

STAKEHOLDER RELATIONSHIPS (continued)

The College has a Student Engagement Strategy. Students are invited to give feedback to the College through learner satisfaction surveys, feedback forms and regular focus groups and fora. This year the College has also established a group of student champions.

In April 2025 the College was re-accredited with the Matrix kite mark in relation to the Information, Advice and Guidance provided to students and staff.

In July 2025 the College was accredited with Platinum status by Investors in People.

Equality, Diversity and Inclusion

The College is committed to ensuring Equality, Diversity and Inclusion for all who learn, work and use the College's facilities. We respect and value positively differences and will not tolerate any form of behaviour or activity that discriminates without proper justification on the grounds of gender, race, disability, religious or cultural belief, sexual orientation, marital status, family responsibilities, age, unrelated criminal convictions and economic status.

The College publishes its Equality, Diversity and Inclusion policy on its website. The College holds focus groups involving learners and staff who discuss solutions for issues affecting the College and are involved in making recommendations and setting targets. The College's key strategic plan responds to both social and climate justice challenges. Updates are regularly reported to the Governing Body.

Fircroft College is a Disability Confident employer and has committed to the principles and objectives of the Disability Confident scheme. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled 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 that are, as far as possible, identical to those for other members of staff. This is also reflected in the college policies as they are updated.

The College is passionate about providing staff and governors (as needed) with outstanding training covering issues of equality, diversity and inclusion.

Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005 and Equality Act 2010.

- a) The College takes account of disability access in all rolling maintenance plans and new build initiatives. There are several ground floor bedrooms adapted to enable students with disabilities to engage in residential learning. Access in and around the building has also been improved.
- b) Any appeals against a decision not to offer a place to a student are dealt with under the complaints policy and procedure. These are monitored for protected characteristics.
- c) The College has an ongoing programme of staff development to ensure that all staff are aware of the issues and needs of people with learning difficulties and/or disabilities.

FIRCROFT COLLEGE OF ADULT EDUCATION

Report of the Governing Body (continued)

- d) Staff members are available to advise and make arrangements for any student or member of staff who require any additional support including the purchase of specialist equipment or support staff.
- e) The College has a range of specialist equipment including assistive technology available for use by students and staff.
- f) Arrangements for counselling and welfare services can be made available to students. Staff have access to a 24 hour employee assistance programme.

Disclosure of information to auditors

The governors 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 governor 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.

The report of the Governing Body, including the strategic report, has been approved by order of the members of the Governing Body on 10 December 2025 and signed on its behalf by:



Prof G Layer
Chair
Corporate Governance

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Corporate Governance and Internal Control (continued)

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 College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in accordance with the guidance to colleges from the FE code of good governance;

In the opinion of the Governing Body, the College complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the code reported to Governing Body on 10 December 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges 2024, which it formally adopted in July 2015.

As a registered Charity, the Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Governing Body

The governors who served on the Governing Body (GB) during the period and up to the date of signature of this report are set out below:

Name	Date of Appointment	Term of office	Date of resignation	Category of membership	Attendance		Committees Served
					GB	Other	
Prof Geoff Layer	3 April 2023	3 years		Independent	5/5	10/10	Chair of G and O
	Reappointed						R
	Nov-24						
Ms M Lenehan (Principal)	3 April 2023	Ex-Officio		Ex-Officio	5/5	3/7	E,O,
Parminder Singh Garcha	3 April 2023	3 Years		Independent	2/5	0/3	E
Robert Masunga	3 April 2023, Jan-24 Reappointed	3 Years		Independent	3/5	8/8	A and G
Eluned Jones	3 April 2023	3 Years		Independent	4/5	7/7	G and Chair of E
	Reappointed						
	Sept-24						

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Corporate Governance and Internal Control (continued)

Carole Parkes (Vice Chair Since Aug-24)	3 April 2023	3 Years		Independent	5/5	2/2	R
	Reappointed						
	Sept-24						
Saiqa Andleeb	3 April 2023	3 Years	22 March 2025	Independent	2/3	1/3	O ,R
Ben Shore	3 April 2023	3 Years	31 July 2025	Independent	4/5	8/8	G and Chair of A
Chris Kenny	3 April 2023	3 Years		Independent	3/5	3/4	O
John Holford	Oct-23	3 Years		Independent	3/5	3/3	E
Harpreet Samra	Oct-23	3 Years		Independent	3/5	3/4	A
Lorna Phillip	Jan-24	3 Years	4 August 2025	Independent	3/5	2/3	E
Katharine Clough	Jan-24	3 Years		Independent	3/5	4/4	O
Elliot Moody	Jan-24	3 Years	6 November 2025	Staff Governor	3/5	2/3	E
Rhea Fearon-Auld	Dec 24	1 Year	May 2025	Student Governor	1/1	1/1	E
Robert Smith	3 November 2025	3 Years		Independent	0/0	0/0	E
Skyler Gledhill	15 October 2025	1 Year		Student Governor	0/0	0/0	E
Tahirah Gani	15 October 2025	1 Year		Student Governor	0/0	0/0	E
Benjamin Rawal	15 October 2025	3 Years		Independent	0/0	0/0	Chair of A

Name	Date of Appointment	Term of office	Date of resignation	Category of membership	Attendance		Committees served
					GB	Other	
Paul O'Toole	Dec 24	1 Year	May 2025	Student Governor	2/2	1/1	E
Julie Hughes	July 2025	3 Years		Independent	1/1	0/0	E
Kieran Armitage	July 2025	3 Years		Independent	0/0	0/0	O

Committee key A = Audit Committee ESS = Education and Student Services Committee G=Governance Committee O = Operations Committee R = Remuneration Committee

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Corporate Governance and Internal Control (continued)

Attendance information shows Governing Body attendance and then Committee attendance during the period to 7th July 2025 (last meeting of 2024/25).

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

The Governing Body is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Governing Body meets, as a minimum, four times each year.

The Governing Body conducts its business through a number of committees which are established each year. For 2024/25 the following were in place; Education Committee, Operations Committee, Remuneration Committee, Audit Committee and Governance Committee. Full minutes of all meetings, except those deemed to be confidential by the Governing Body, are available on application from the Clerk to the Governing Body at:

Fircroft College, of Adult Education, 1018 Bristol Road, Selly Oak, Birmingham, B29 6LH.

The Clerk to the Governing Body 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 Governing Body, who is responsible to the Governing Body for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

1.1 The Governing Body

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

The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision making process. The Governing Body 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 of the Governing Body and Accounting Officer are separate.

1.2 Appointments to the Governing Body

Any new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a Governance committee, which is comprised of at least three governors and is responsible for the selection and nomination of any new member for the Governing Body's consideration. The Governing Body is responsible for ensuring that appropriate training is provided as required. Independent members of the Governing Body are now appointed for a term of office not exceeding 3 years in the first instance.

1.3 Corporation Performance

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

The governing body commissioned an external review of governance in 2023/24 which resulted in the following recommendations:

- Future and strategic use of Fircroft College Trust (continuing under legal advice)
- Continue discussions on lease extension for College campus (continuing discussions with lease holder)
- Policy Review - being an extension to proactive policy development between executive and governors (completed)
- Strategic Objectives and Governor Development aims set before the beginning of each academic year (completed)
- Further development of Partnership engagement (partly complete – considering integration of further governor involvement)

The results of the review and its recommendations were presented and the Action Plan was approved by Governors at the meeting of Governing Body on 15 October 2025.

Governors undertake an induction process upon being appointed by the Governing Body. This has involved conversations with the Chair, Vice-Chair, Principal, Director of Finance, Assistant Principals and the Clerk. The content included the College Strategy, trustee duties, governance priorities, curriculum and education improvement plan and the College’s financial framework and position. Governors undertook training on safeguarding, Prevent, equality, diversity and inclusion, and data protection within the first few months (this training is updated every 3 years). New governors also receive an Induction Pack from the Clerk which contains key documents.

As well as the internal induction process governors have also accessed regional induction events.

The College subscribes to the AoC/Education and Training Foundation platform from where governors can access modules as they consider necessary. They also have access to AoC briefings and webinars.

The Clerk alerts governors to training relevant to their roles e.g. chairs of committees, reclassification, safeguarding.

Important training and development activities are undertaken during committee meetings e.g. Audit Committee and Education Committee have had sessions.

The Governing Body has participated in strategic sessions on:

- College’s work on anti-racism
- SAR and QIP
- Trustees and Directors’ Duties
- Also various topics on Strategy Day on 13 June 2025.

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Corporate Governance and Internal Control (continued)

The Clerk has undertaken relevant internal and external training. This has included sessions aimed at governance professionals provided by the AoC, online Clerks network meetings for the Midlands region, Eversheds Sutherland and Corporate Governance Institute. The training has included sessions on The training has included sessions on cybersecurity and managing fraud.

1.4 Remuneration Committee

Throughout the year ending 31 July 2025, the College's Remuneration Committee comprised two members of the Corporation. The Committee's responsibilities are to make recommendations to the Governing Body on the remuneration and benefits of the Accounting Officer and other key management personnel. Details of remuneration for the period ended 31 July 2025 are set out in note 7 to the financial statements.

1.5 Audit Committee

The Audit Committee comprises three governors of the College (who exclude the Accounting Officer and Chair) and an external member. The Committee operates in accordance with written terms of reference approved by the Governing Body.

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

The College's internal auditors review the 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.

1.5 Audit Committee (continued)

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 Governing Body on the appointment of internal auditors, reporting accountants and financial statement auditors and their remuneration for audit and non-audit work as well as reporting annually to the Governing Body.

Committee Member	Meetings Attended
Ben Shore	4 /4
Robert Masunga	4 /4
Harpreet Samra	3 /4

1.6 Internal Control

Scope of responsibility

The Governing Body 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 Governing Body 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 they are personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Fircroft College and the funding bodies. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

1.7 The purpose of the system of internal control

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

1.8 Capacity to handle risk

The Governing Body 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 Governing Body 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 ended 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

1.9 The risk and control framework

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

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

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

1.10 Risks faced by the Governing Body

During 2018 the College reviewed its Risk Management Policy which sets out how risks are identified and evaluated. Risks are collated into a risk register and risk categories for review against an agreed risk tolerance level. Strategic level risks are reviewed by the Corporation. The risk register includes mitigating actions and residual risk evaluation. The latest view of Principle Risks and Uncertainties are recorded in the Strategic Report within the Report of Governing Body.

1.11 Responsibilities under Accountability Agreements

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

1.12 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:

- Capital and Estates Management Processes
- Curriculum Development and Management Arrangements
- Governance and Strategic Planning Framework
- Learner Number Systems – Adult Provision
- Student Early Journey and Support Processes

Appropriate action plans have been agreed for internal audit reports. The College Internal Auditors review for the period has stated that the College has an adequate and effective framework for risk management, governance and internal control.

No issues have been highlighted or specifically raised by external auditors during the course of their audit work.

1.13 Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's 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 (for colleges subject to funding audit) in their external auditor's auditor findings report (management letter) and other reports.
- The regularity self-assessment questionnaire.

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

The 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 across the College. The 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 Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the management team and Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the corporation carried out the annual assessment for the period ended 31 July 2025 by considering documentation from the management team and internal audit and taking account of events since 31 July 2025.

Based on the advice of the Audit Committee and the Accounting Officer, the Governing Body 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 safeguarding of their assets*".

Approved by order of the members of the Governing Body on 10 December 2025 and signed on its behalf by:



M Lenehan Accounting Officer

Date: 10 December 2025

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Regularity, Propriety and Compliance

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

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



M Lenehan
Accounting Officer

Date: 10 December 2025

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Responsibilities of the Governing Body

The members of the Governing Body (who act as trustees and directors for the charitable activities of the College) are required to present audited financial statements for each financial year.

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA and DfE, the corporation – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the corporation and its surplus / deficit of income over expenditure for that period.

In preparing the financial statements, the Governing Body 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)
- ◆ prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

The Governing Body 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 College.

The Governing Body 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 Companies Act 2006, 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 Governing Body is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, 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 Governing Body 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 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 Governing Body 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

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Responsibilities of the Governing Body

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 Governing Body on 10 December 2025 and signed on its behalf by:



Prof G Layer
Chair of governors

Opinion

We have audited the financial statements of Fircroft College of Adult Education for the period ended 31 July 2025 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its surplus of income over expenditure for the period then ended;
- have been prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the members of the Governing Body 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 members of the Governing Body 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the members of the Governing Body, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the report of the members of the Governing Body, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the members of the Governing Body including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Framework and guide for external auditors and reporting accountants of colleges issued by the DfE requires us to report to you if, in our opinion:

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

- certain disclosures of the members of the Governing Body's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the members of the Governing Body

As explained more fully in the statement of responsibilities of the Governing Body, the members of the Governing Body are 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 members of the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the College Accounts Direction 2024 to 2025 issued by the DfE, Further and Higher Education Act 1992, Companies Act 2006, funding agreements with the ESFA and WMCA and associated funding rules, DfE regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Governing Body meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

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

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

Use of our report

This report is made solely to the members of the Governing Body, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Mackereth (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 January 2026

FIRCROFT COLLEGE OF ADULT EDUCATION

Reporting Accountant's Report on Regularity to the Governing Body of Fircroft College of Adult Education ("the Governing Body") and the Secretary of State for Education acting through the Education and Skills Funding Agency ("the ESFA")

In accordance with the terms of our engagement letter dated 9 July 2025 and further to the requirements, of the Department for Education (DfE), as include 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 Fircroft College of Adult Education during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to the Governing Body of Fircroft College of Adult Education 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 Governing Body of Fircroft College of Adult Education and the Secretary of State for Education those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the Governing Body of Fircroft College of Adult Education and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fircroft College of Adult Education and the reporting accountant

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

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

Approach

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters

FIRCROFT COLLEGE OF ADULT EDUCATION

Reporting Accountant's Report on Regularity to the Governing Body of Fircroft College of Adult Education ("the Governing Body") and the Secretary of State for Education acting through the Department for Education ("the Department") (continued)

Approach (continued)

that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 16 January 2026

FIRCROFT COLLEGE OF ADULT EDUCATION

Statement of Comprehensive Income and Expenditure

	Note	2025 £	2024 £
Income			
Funding body grants	1	2,759,238	2,629,185
Tuition fees and education contracts	2	24,738	25,388
Other income	3	37,050	34,463
Investment income	4	178,822	159,249
Donations	5	15,000	17,176
Total Income		3,014,848	2,865,461
Expenditure			
Staff costs	6	1,839,202	1,789,329
Other operating expenses	8	795,476	856,492
Depreciation	10	166,522	114,422
Total Expenditure		2,801,200	2,760,243
Surplus before other gains and losses		213,648	105,218
Gain /(Loss) on investments			
Net realised		(10,770)	6,518
Net unrealised		199,272	245,648
Surplus/ (Deficit) before Tax		402,150	357,384
Taxation	9	-	-
Total Comprehensive Income/(Expenditure) for the Period		402,150	357,384
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive (expenditure)		402,150	357,384
		402,150	357,384

FIRCROFT COLLEGE OF ADULT EDUCATION

College Statement of Changes in Reserves

	Income and Expenditure Reserves £	Restricted Reserves £	Total £
Balance at 1st August 2023	<u>5,788,170</u>	<u>51,952</u>	<u>5,840,122</u>
Surplus from the income and expenditure account	357,384	-	357,384
Transfers between restricted and income and expenditure reserves	-	-	-
Total comprehensive expenditure for the period	<u>357,384</u>	<u>-</u>	<u>357,384</u>
Balance at 31st July 2024	6,145,554	51,952	6,197,506
Balance at 1st August 2024	6,145,554	51,952	6,197,506
Surplus from the income and expenditure account	402,150	-	402,150
Transfers between restricted and income and expenditure reserves	-	-	-
Total comprehensive income for the period	<u>402,150</u>	<u>-</u>	<u>402,150</u>
Balance at 31st July 2025	<u>6,547,704</u>	<u>51,952</u>	<u>6,599,656</u>

FIRCROFT COLLEGE OF ADULT EDUCATION

Balance Sheet as at 31 July

	Notes	2025 £	2024 £
Non-Current Assets			
Investments	11	4,097,745	3,925,630
Tangible fixed assets	10	2,726,434	2,316,880
Total fixed assets		6,824,179	6,242,510
Current assets			
Stock		5,321	6,520
Trade and other receivables	12	296,903	260,975
Short term investments	13	-	165,003
Cash and cash equivalents		1,260,864	1,102,698
Total current assets		1,563,088	1,535,196
Less: Creditors - amounts falling due within one period	14	(388,892)	(612,700)
Net current assets		1,174,196	922,496
Total assets less current liabilities		7,998,375	7,165,006
Creditors - amounts falling due after one period	15	(1,398,719)	(967,500)
Net Assets		6,599,656	6,197,506
Restricted reserves	16	51,952	51,952
Unrestricted reserves			
Income and expenditure account		6,547,704	6,145,554
Total reserves		6,599,656	6,197,506

The financial statements on pages 33 to 51 were approved by the Governing Body and authorised for issue on 10 December 2025 and were signed on behalf of the Governing Body by:



Prof G Layer
Chair



M Lenehan
Accounting Officer

Fircroft College of Adult Education

Company No 14776636

FIRCROFT COLLEGE OF ADULT EDUCATION
Statement of Cash Flows

	Note	2025 £	2024 £
Cash flows from operating activities			
Surplus/(Deficit) for the period		402,150	357,384
Adjustment for non-cash items			
Depreciation		166,522	114,422
Decrease/(Increase) in stocks		1,199	(2,550)
(Increase)/decrease in debtors		(35,928)	(152,324)
(Decrease)/Increase in creditors due within one period		(223,808)	424,494
Increase/(decrease) in creditors due after one period		431,219	(22,671)
Adjustment for investing or financial activities			
Net investment (gain)/loss		(188,502)	(243,858)
Investment income		(178,822)	(159,249)
Net cash flow from operating activities		374,030	315,648
Cash flows from investing activities			
Investment income		178,822	159,249
Disposal of non-current asset investments		376,217	647,322
Payments made to acquire non-current asset investments		(261,938)	(693,392)
Payments made to acquire fixed assets		(576,077)	(344,744)
Net cash flow from investing activities		(282,976)	(231,565)
Increase in cash and cash equivalents in the period	17	91,054	84,083
Cash and cash equivalents at beginning of the period	17	1,290,499	1,206,416
Cash and cash equivalents at end of the period	17	1,381,554	1,290,499

Notes to the Accounts (continued)

Accounting policies

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024 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 unless otherwise stated.

Going concern

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

The College has no loans or overdrafts and the College's forecasts and financial projections indicate that none will be required for the foreseeable future.

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

Recognition of income

Revenue grant funding

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

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.

Any under or over achievement for the Adult Skills 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

Accounting policies (continued)

conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits.

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 recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Investment income

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

Restricted reserves

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is included in the restricted reserves. Any use of the restricted reserve is included as expenditure shown on the face of the Statement of Comprehensive Income.

Accounting for post-employment benefits

Post-employment benefits to tutors of the College are provided by the Teachers' Pension Scheme (TPS). The TPS is a defined benefit scheme, which is externally funded and contracted out of the State Second Pension.

Teachers' pension scheme

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 quinquennial 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.

No members of staff are members of the Local Government Pension Scheme (LGPS).

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

Accounting policies (continued)

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the period 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 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.

The College's policy is to carry all assets at historical cost, except the financial benefit of the lease arrangements (see below) which is carried at valuation but now deemed costs.

Land and buildings

The College does not pay a market rate for the lease of the premises from which it operates, hence the College has capitalised the benefit it receives from this arrangement.

Any improvements to the buildings are included at cost. Finance costs, which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

Equipment

Equipment costing less than £500 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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.

Depreciation

Long leasehold land and buildings are depreciated on a straight line basis over the remaining life of the lease.

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

General equipment	5 years
Computer equipment	3 years
Furniture, fixtures and fittings	10 years
Computer software	5 years

A full year's depreciation will be calculated and applied in the financial year of acquisition of any asset.

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. Shortfalls between the carrying value of fixed assets

Accounting policies (continued)

Non-Current Assets - Tangible fixed assets (continued)

and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the Statement of Comprehensive 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.

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

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Stocks

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

Maintenance of premises

The College has a maintenance plan in line with its obligations under its lease agreement with Bournville Village Trust.

Accounting policies (continued)

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

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 charity 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 receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when:

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

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

Accounting policies (continued)

Provisions and contingent liabilities (continued)

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- 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. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

The total figure for Tangible Fixed Assets includes £1,281,900 which is the value, deemed cost, ascribed to the financial benefit of the long leasehold properties transferred to Fircroft College Trust by professional valuers in 2009 and 2010.

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

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

1 Funding Body Grants

	2025 £	2024 £
Recurrent grants		
ESFA delivery	71,558	71,779
ESFA student support funds	-	-
West Midlands Combined Authority delivery	2,405,140	2,256,682
Specific grants		
Teacher Pension Scheme contributory grant	67,716	46,354
Release of government capital grants	67,025	22,671
Local Skills Improvement Fund	-	231,286
Innovate UK	131,559	-
Green Changemakers	15,000	-
Sports England (Restricted grant)	1,240	413
Total	2,759,238	2,629,185

2 Tuition Fees and Education Contracts

	2025 £	2024 £
Advanced level course fees for learners aged over 24	-	336
Tuition fees	662	989
Education contracts	24,076	24,063
Total	24,738	25,388

3 Other Income

	2025 £	2024 £
Residencies, catering and conferences	31,507	28,715
Miscellaneous income	5,543	5,748
Total	37,050	34,463

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

4 Investment Income

	2025 £	2024 £
Other investment income	142,014	148,404
Other interest receivable	36,808	10,845
Total	178,822	159,249

5 Donations

	Unrestricted £	Restricted £	2025 College £	2024 College £
Donation for upkeep of the gardens	15,000	-	15,000	17,176
Total	15,000	-	15,000	17,176

6 Staff Costs

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

	2025 No.	2024 No.
Teaching staff	14	13
Non-teaching staff	40	40
	54	53

Staff costs for the above persons

	2025 £	2024 £
Wages and salaries	1,369,600	1,352,296
Social security costs	143,536	125,400
Other pension costs	209,903	196,426
Payroll sub total	1,723,039	1,674,122
Contracted out staffing services	85,088	115,207
	1,808,127	1,789,329
Fundamental restructuring costs – Contractual	31,075	-
- Non contractual	-	-
Total staff costs	1,839,202	1,789,329

Notes to the Accounts (continued)

6 Staff Costs (continued)

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 Principal and the Vice Principal (resigned 30 April 2025) and the Governing Body.

The Governing Body works to an agreed process of reviewing the remuneration of the senior post holders based on review against whole college performance measures, as previously defined by governors and used for college wide pay reviews, and relevant benchmarking. The Remuneration Committee receives reports directly from HR Manager (who performs this role on behalf of the Committee). The Remuneration Committee evaluates the whole college performance measures and reviews benchmarking data from other IAL's, where available, and the AOC, then agrees recommendations to be made to the full Governing Body for any changes in remuneration. The principles of fairness, independence, justification and transparency are delivered through the agreed procedure and reporting process.

Severance payments

The college paid 2 (2024 – nil) severance payments in the year, disclosed in the following bands:

Severance payment amount	Number of severance payments made
£0 - £25,000	2
£25,001 - £50,000	0

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

	2025 No	2024 No
Number of key management personnel including the Accounting Officer was:	<u>2</u>	<u>2</u>

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, above £60,000 was:

	Key management personnel		Other staff	
	2025	2024	2025	2024
	No.	No.	No.	No.
£55,001 to £60,000 p.a.	1			
£65,001 to £70,000 p.a.	-	1	-	-
£110,001 to £115,000 p.a.	-	1	-	-
£115,001 to £120,000 p.a.	1	-	-	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

7 Emoluments of Key management personnel, Accounting Officer and other higher paid staff (continued)

Key management personnel emoluments are made up as follows:	2025	2024
	£	£
Salaries	175,041	184,381
Social security costs	22,733	23,086
	197,774	207,467
Pension contributions	50,202	46,531
Total emoluments	247,976	253,998

There were no amounts due to key management personnel that were waived in the period, nor any salary sacrifice arrangements in place.

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
	£	£
Salaries	119,384	113,413
Pension contributions	34,239	28,519
	153,623	141,932

The Governing Body adopted AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principals.

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.

The pension contributions in respect of the Accounting Officer and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme or College scheme as appropriate. These are all paid at the same rate as for all other members of the Teachers' Pension Scheme.

The Governors of the College, other than the Accounting Officer and staff members, did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. The College does not have any overseas activities.

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

Relationship of Principal pay and remuneration expressed as a multiple

	2025	2024
Principal's basic salary as a multiple of the median of all staff	5.8	5.7
Principal and CEO's total remuneration as a multiple of the median of all staff	6.9	6.8

8 Other operating expenses

	2025 £	2024 £
Teaching costs	57,442	48,872
Non-teaching costs	562,911	628,788
Premises costs	175,123	178,832
Total	795,476	856,492

The College has a contractual obligation to maintain the buildings it leases from Bourneville Village Trust and consequently has a planned maintenance programme for these buildings. More information can be found in the Report of the Governing Body, Capital base and planned maintenance, on page 9.

	2025	2024
Other operating expenses include:		
Auditor's remuneration:		
- Financial statements audit	31,629	23,940
- Other services provided by the financial statements auditors	-	11,790
- Internal auditors' remuneration	23,808	22,320
Other operating lease payments	9,293	6,002
Hire of land and buildings under operating leases	149	149

9 Taxation

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

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

10 Tangible fixed assets

	Land and buildings long leasehold £	Assets under construction £	Equipment and furniture £	Total £
Cost or valuation				
At 1 August 2024	3,666,706	229,594	833,133	4,729,433
Additions	207,060	228,063	140,954	576,077
Reclassification from AuC	31,550	(159,593)	128,043	-
Disposals	-	-	(177,483)	(177,483)
At 31 July 2025	<u>3,905,316</u>	<u>298,064</u>	<u>924,647</u>	<u>5,128,027</u>
Depreciation				
At 1 August 2024	1,710,730	-	701,823	2,412,553
Charge for the period	102,127	-	64,394	166,521
Eliminated in respect of disposals	-	-	(177,483)	(177,483)
At 31 July 2025	<u>1,812,857</u>	<u>-</u>	<u>588,734</u>	<u>2,401,591</u>
Net book value at 31 July 2025	<u>2,092,459</u>	<u>298,064</u>	<u>335,913</u>	<u>2,726,436</u>
Net book value at 31 July 2024	<u>1,955,976</u>	<u>229,594</u>	<u>131,310</u>	<u>2,316,880</u>

11 Non-current investments

	2025 £	2024 £
Balance at 1 August 2024	3,902,832	3,612,904
Additions at cost	261,938	693,392
Disposals at book value (proceeds £ 376,217, realised loss £10,770)	(386,987)	(640,804)
Net gains/(losses) on revaluation at 31 July 2024	199,272	237,340
Market value at 31 July 2025	<u>3,977,055</u>	<u>3,902,832</u>
Cash held by investment managers	120,690	22,798
Balance at 31 July 2025	<u>4,097,745</u>	<u>3,925,630</u>
Represented by:		
Fixed interest stocks (listed)	961,762	976,714
Equities and unit trusts (listed)	1,092,402	1,301,998
Overseas (listed)	1,922,891	1,625,784
Cash balances	120,690	21,134
Total	<u>4,097,745</u>	<u>3,925,630</u>
Total cost of listed investments	<u>3,070,087</u>	<u>3,063,262</u>

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

12 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	2,638	28,895
West Midlands Combined Authority	182,208	97,665
Prepayments and accrued income	112,057	134,415
Total	296,903	260,975

13 Short Term Deposits

	2025 £	2024 £
Short term deposits	-	165,003
Total	-	165,003

Deposits are held with investment managers in securities, and available/convertible to cash at short notice

14 Creditors: Amounts Falling Due within One Year

	2025 £	2024 £
Trade creditors	56,558	57,342
Other creditors	109,592	193,295
Other taxation and social security	33,505	30,185
Accruals	60,683	60,497
Staff holiday pay accrual	33,179	20,241
Deferred income – Government Capital grants	65,825	27,621
Deferred income - other	29,550	223,519
Total	388,892	612,700

FIRCROFT COLLEGE OF ADULT EDUCATION

Notes to the Accounts (continued)

15 Creditors: Amounts Falling Due after One Year

	2025 £	2024 £
Deferred income – Government Capital grants	1,398,719	967,500
Total	1,398,719	967,500

16 Restricted Reserves

	2024 £	Income £	Expenditure £	2025 £
Centenary Appeal	30,280	-	-	30,280
Student Hardship	8,444	-	-	8,444
Work with ex-offenders	13,228	-	-	13,228
Sport England grant	-	1,240	(1,240)	-
Total	51,952	1,240	(1,240)	51,952

17 Cash and cash equivalents and analysis of changes in net debt

	1st August 2024 £	Cash Flows £	31 st July 2025 £
Cash at bank and in hand	1,102,698	158,166	1,260,864
Cash held in short term investments	165,003	(165,003)	-
Cash held by investment managers	22,798	97,892	120,690
Net Funds	1,290,499	91,055	1,381,554

Notes to the Accounts (continued)

18 Capital and other commitments

	2025	2024
	£	£
Commitments contracted for at 31 July	10,444	-

19 Lease obligations

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

Future minimum lease payments due	2025	2024
	£	£
Land and buildings		
Not later than one year	149	149
Later than one year and not later than five years	596	596
Later than five years	3,679	3,828
	4,424	4,573
Other		
Not later than one year	9,713	3,258
Later than one year and not later than five years	9,407	10,237
	19,119	13,495
Total lease payments due	23,543	18,068

20 Related party transactions

a) Funding Bodies

Transactions with the ESFA are detailed in notes 1 and 14.

b) Governors

The total expenses paid to or on behalf of the Governors during the period was £ 1,806 in respect of two governors (2024: £1,969 in respect of 4 governors). This represents technology, travel and conference costs incurred in attending Governor meetings and events in their official capacity.

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

Notes to the Accounts (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales ('TPS') for academic staff and a group pension plan for non-academic staff. The group pension plan is administered by The People's Pension. The TPS scheme is a defined benefit scheme and the group pension plan is a defined contribution scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Total pension cost for the period

	2025	2024
	£	£
Teachers' Pension Scheme; employer contributions paid	142,895	129,903
Group Pension Plan: employer contributions paid	67,008	66,523
Total pension cost for the period	<u>209,903</u>	<u>196,426</u>

There were outstanding contributions of £ 8,336 due for the Peoples Pension plan at 31 July 2025 (2024 - £16,702).

There were outstanding contributions of £15,437 due to Teachers Pension at 31 July 2025 (2024 £16,471

The employer's contribution rate for Peoples Pension was 8% during the period.

The employer's contribution rate for Teachers Pension was 23.68% to March 2024 and 28.68% thereafter.

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.

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.

Notes to the Accounts (continued)

21 Pension and similar obligations (continued)

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

As a result of the valuation, new employer contribution rates rose from 23.68% to 28.68% from April 2024.

The DfE paid a teacher pension employer contribution grant of £67,716 (2023/24 £ 46,354) to cover the additional costs during the 2023-24 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/-/media/documents/member/documents/news-items/teachers-pension-scheme-actuarial-valuation-2016>

The pension costs paid to TPS in the period amounted to £142,895 (2024 - £129,903).

22. Events after the reporting period

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