

# Gower College Swansea

Annual Report and Financial Statements  
For the Year Ended 31 July 2025

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# Management Personnel

## Key Management Personnel

Key management personnel are defined as members of the Strategic Planning Group and were represented by the following in 2024/25:

- Kelly Fountain, CEO and Accounting Officer (from 7 July 2025, Principal to 6 July 2025)
- Mark Jones, CEO and Accounting officer (up to 6 July 2025)
- Paul Kift, Interim Principal (from 7 July 2025, Vice Principal Skills and Partnerships to 6 July 2025)
- Nikki Neale, Vice Principal Curriculum, Quality, Teaching and Learning
- James Donaldson, Vice Principal Learner Experience and Inclusion
- Sarah King, Vice Principal People and Wellbeing
- Mike Glover, Vice Principal Finance and MIS

## Board of Governors

A full list of Governors is given on pages 25-26 of these financial statements. Mrs A Kirk was the Clerk to the Corporation throughout the period.

## Professional Advisers

**Financial statements auditor and reporting accountants:**  
Forvis Mazars  
90 Victoria Street  
Bristol  
BS1 6DP

**Solicitors:**  
Blake Morgan  
Swansea Enterprise Park  
Castle Court  
Swansea  
SA7 9LZ

**Internal Auditors:**  
TIAA Limited  
53 – 55 Gosport Business Centre  
Aerodrome Road  
Gosport  
PO13 0FQ

### Bankers:

HSBC  
4A Vaughan Street  
Llanelli  
SA15 3TY

Barclays  
1-3 Windsor Place  
Cardiff  
CF10 3BX

# Report of the Governing Body

The members present their report and the audited financial statements for the year ended 31 July 2025.

## Legal status

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

## Public Benefit

Gower College Swansea is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by Medr. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 25 - 26.

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.

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

- High-quality teaching
- Links with UK Universities in furtherance of higher education opportunities
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

## Background

Gower College Swansea operates across the city of Swansea on a number of sites: Gorseinon Campus, Tycoch Campus, Hill House Campus, Llwyn y Bryn Campus, Sketty Hall, the GCS Training Centre (Jubilee Court) and the Kingsway Employability Hub. A large number of students attend the College from outside the city, some travelling considerable distances to do so.

Our aim here is to have progression opportunities from entry to undergraduate level of study with appropriate levels of support for students whatever their starting point. We are determined to support Welsh Government/Medr policies in ensuring that vocational learning leads to worthwhile outcomes.

## Our Mission:

“Transforming Lives through Education, Skills and Training”

## Our Vision:

“Inspiring Ambitious Futures”

## Our Commitment:

“At the centre of our plan is our continued commitment to our learners, ensuring an outstanding learner experience along with high quality education, skills and training”

*Promoting opportunity.*

*Driving economic growth.*

*Promoting social cohesion.*

*Supporting sustainable development.*

## Implementation of strategic plan

In January 2025, the College adopted a strategic plan for the period 2025 - 2029.

The strategic plan identifies where we will be in five years time with our objectives focused on:

- Being the highest performing College in Wales
- Delivering an outstanding learning experience
- Being a College and an employer of choice
- Being a trusted partner with employers and our communities
- Being a College committed to sustainability
- Being an inclusive College

In addition, the strategic plan is supported by a more detailed Annual Operational Plan which is then linked to departmental plans.

The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year. A series of performance indicators have been agreed to monitor the successful implementation of the policies.

The College is committed to observing the importance of sector measures and indicators and data produced by Medr which looks at measures such as success rates.

The College is required to complete the annual Finance Record for Medr. The College analyses its financial performance in relation to the other Welsh FE colleges and uses this benchmarking information to set future targets. The College uses the guidelines issued by Medr to inform its review of its Financial Health. The College has self-assessed itself as having a “Category A” financial health grading. Medr defines Category A as “The institution’s financial position and its financial strategy fully support the institutional plan”.

## People

The College employed 1,119 people (average headcount), of whom 640 are in teaching departments.

## Reputation

The College has an excellent reputation locally and nationally for the range of provision that it offers and for the quality of the teaching and learning provided. Maintaining a quality brand is essential for the College’s success at attracting students and external relationships.

## Student numbers

In 2024/25 the College has delivered activity that has produced £34.6 million in funding body main recurrent grant funding (2023/24 – £31.8 million). The College had approximately 4,400 full time students and 3,500 part time students. In addition, the College provides training to around 3,000 apprentices through the Medr Work Based Learning (WBL) programmes.

## Curriculum developments

The College has continued to focus on priority curriculum areas as identified from labour market intelligence, namely:

- Net zero carbon/Green courses
- Construction
- ICT and Digital Technologies (including digital literacy)
- Energy sector

Curriculum Managers have worked with employers and industry experts in these areas and increasing use has been made of industry boards to guide and direct future curriculum developments.

The College has a strong reputation for curriculum innovation and change. Over the years it has introduced new courses in many areas of the curriculum in order to better meet student and industry needs. The College has continued to grow its provision in construction and ICT particularly through apprenticeship provision.

The College continues to work with a number of Higher Education Institutions and in partnership is delivering Degree Apprenticeships in Computer Science and in Engineering.

The College continues to expand the range of courses aimed at students who are at risk of becoming NEET (Not in Employment, Education or Training) through initiatives such as "Advance to FE" programme and Level 1 Vocational Studies. The College was able to successfully expand its range of summer school programmes for at risk students with many then enrolling on to full time programmes. These courses provide tasters to keep young people in education and to progress on to vocational programs the following year. During the year the College completed work on the Green Hwb to enhance delivery of courses to this cohort of students.

There has also been continued growth in ESOL courses to respond to an increased demand.

The College continues to work closely with local schools through the delivery of its 'Junior College' programmes for 14-16 year olds. The programmes provide a range of activities with the aim of engaging and inspiring young people to encourage them to continue in education post-16. In addition, the College delivers 'Junior Apprenticeship' programmes in partnership with local schools which provides a full-time college alternative to school for 14-year-olds.

The College continues to offer a wide range of Level 3 programmes including over 40 different A Level subjects. The A Level programme is enhanced by a specialist tutorial programme for those applying to Oxbridge or to medical professions. The College is proud of the progression of students from the College to Oxbridge and to Russell Group Universities.

This progression has been enhanced through the College's engagement with Cambridge University through their HE+ programme and being the lead on the Medr funded Seren Hub activities.

## Quality and Standards

College outcomes for the 2024/2025 academic year are yet to be verified by Medr. The following information highlights internal trend data from 2019 to 2024 and performance against 2023/2024 national comparators. The main outcomes for successful completion are reported separately for vocational and A-Level programmes.

### Vocational Outcomes

The following table shows the Consistent Performance Measures for main Vocational programmes by level from 2019 to 2024. These are measured over one academic year.

Vocational Consistent Measures (Internal Trends)						
Level	23/24 Success Rates	22/23 Success Rates	21/22 Success Rates	18/19 Success Rates	2-year trend	5-year trend
Level 3	82%	78%	70%	82%	+4%	0%
Access to HE	64%	63%	70%	74%	+1%	-10%
Level 2	81%	72%	66%	80%	+9%	+1%
Level 1	79%	69%	73%	79%	+10%	0%
Entry/Pre-Entry	88%	87%	86%	73%	+1%	+15%

Vocational success rates have strengthened over the past two years, with notable gains at Level 1 (+10%), Level 2 (+9%), and Level 3 (+3%) now meeting or surpassing pre-pandemic levels, while Entry Level performance remains high at 88%, reflecting a sustained 15% improvement driven by strong ESOL provision. However, Access to HE outcomes have declined by 10% over the past five years, although 2024/25 results indicate an improvement to 71%, which is still subject to verification.

This table compares the College's Vocational Consistent Performance Measures with National Comparators.

Vocational Consistent Measures (College vs National Comparators)				
Measure		23/24	National Comparator	Difference
Level 3	16	85%	82%	+3%
	17+	80%	81%	-1%
	All	<b>82%</b>	<b>81%</b>	+1%
Access	16	-	-	-
	17+	64%	71%	-7%
	All	<b>64%</b>	<b>71%</b>	-7%
Level 2	16	85%	80%	+5%
	17+	78%	76%	+2%
	All	<b>81%</b>	<b>77%</b>	+4%
Level 1	16	82%	82%	0%
	17+	77%	77%	0%
	All	79%	80%	-1%
Entry/Pre-Entry	16	100%	85%	+15%
	17+	87%	82%	+5%
	All	88%	83%	+5%

In 2023/24, vocational success rates were strong overall, with most areas at or above national comparators. Level 3 outcomes for 16-year-olds exceed comparators by 3%, Level 2 performance is consistently above average across all age groups (+4%), and Entry/Pre-Entry provision, (+15%), is a notable strength, while outcomes for Access to HE (-7%) and Level 1 (-1%) remain below national benchmarks.

## A Level Outcomes

The table below presents A level internal trend data from 2019 to 2024, showing the percentage of learners achieving at least three passes (A–E), three A–C grades, and three A\*–A grades. These outcomes are evaluated against Consistent Performance Measures, which include both school sixth forms and colleges over the two-year A level programme:

A Level Consistent Measures (Internal Trends)								
Measure		23/24	22/23	21/22	18/19	2-Year Trend	3-Year Trend	5-Year Trend
3 A*–E A Levels	16	69%	60%	68%	61%	+9%	+1%	+8%
	17+	43%	40%	38%	47%	+3%	+5%	-4%
	All	66%	58%	64%	58%	+8%	+2%	+8%
3 A*–C A Levels	16	55%	45%	56%	43%	+10%	-1%	+12%
	17+	29%	29%	22%	23%	0%	+7%	+6%
	All	49%	43%	51%	39%	+6%	-2%	+10%
3 A*–A A Levels	16	15%	12%	20%	13%	+3%	-5%	+2%
	17+	4%	4%	2%	3%	0%	+2%	+1%
	All	13%	11%	17%	11%	+2%	-4%	+2%
Early Drop Out (8 weeks)		3%	1%	2%	4%	2%	1%	-1%
Retention from AS-A2		80%	79%	83%	79%	1%	-3%	1%
Learners Completing A2		97%	95%	96%	96%	2%	1%	1%
Learners Completing AS		93%	93%	90%	95%	0%	3%	-2%

A level outcomes show sustained improvement, with 3 A\*–E attainment rising to 66% (+8% from 2022/23 and pre-Covid levels), 3 A\*–C achievement improving by 6% since 2022/23 and 10% since 2018/19. Higher-grade attainment (3 A\*–A) increased by 2%, and retention and completion rates remain strong, though early drop-out rates have risen by 2% since 2022/23.

## Work Based Learning (WBL) – Wales

Gower College Swansea is a lead contractor for Medr's Apprenticeship Commissioning Programme Wales Framework which commenced 1 August 2021 and ran until 31 July 2025, with Medr taking the option to extend the Agreement until 31 July 2026 before transferring the management of Apprenticeships across to Medr, the Commission for Tertiary Education & Research on 1 August 2024. Medr's new Apprenticeship programme will start on 1<sup>st</sup> August 2027, prior to this, the College will be required to undertake a commissioning process to continue the delivery of apprenticeships in Wales.

The College continues to grow its work-based learning contract and provision across a broad range of Apprenticeship training opportunities, working with over 1,200 employers and 2233 apprentices in 2024/25.

In 2024/25, the contract was delivered through a combination of internal and 7 external (sub-contracted) delivery partners. Through our delivery partner network, we offer apprenticeships in 52 different delivery routes across most available apprenticeship levels in these routes. This resulted in an impressive 96 different apprenticeship programmes delivered across our contract.

The College's Quality team continues to work with the central Work Based Learning (WBL) team to implement a comprehensive WBL quality development plan to continue improving strategy and processes, developing resources and ensuring high quality provision for apprentices and their employers.

The College continues to broaden our WBL curriculum offer in response to local, regional and national skills needs. We offer apprenticeship provision across all Welsh regions in several specialist subject areas and are the only provider offering some of these specialist apprenticeship routes in Wales. The College also continues to develop its apprenticeship offer in response to Welsh Government, Medr and Regional Learning & Skills Partnership priorities, allocating more apprenticeship funding to the better performing areas, routes of strategic importance/skills shortages etc. Furthermore, apprenticeship starts have also been reduced in poorer performing areas until further improvements are shown.

The College has built a strong collaborative reputation with employers, stakeholders, Medr and the Welsh Government regarding developing and delivering a responsive apprenticeship curriculum offer to meet existing and emerging sector needs.

### Summary of Estyn Link Visit May 2025

The College hosted an Estyn link visit on the 14th and 15th of May, 2025, during which several staff and learner meetings took place to review progress since the last inspection. The visit was very positive.

### Progress Against Previous Estyn Recommendations:

Good progress has been made since the last inspection, with notable improvements including:

- Stronger and more focused performance oversight
- A clear strategy outlining our direction and rationale
- Enhanced quality assurance processes with increased emphasis on QA
- A high-quality Self-Assessment Report (SAR) and Quality Development Plan (QDP) focused on sustainable improvements
- Effective learner and employer forums fostering a holistic, joined-up approach from onboarding to programme completion
- Positive trends in both timely and overall apprenticeship achievement

*Framework completion rates – Medr funded apprentices.*

Contract Year	Framework completion rate
2018/19	77%
2019/20 <sup>1</sup>	66%
2020/21 <sup>1</sup>	74%
2021/22 <sup>1</sup>	68%
2022/23	74%
2023/24 <sup>2</sup>	73%
2024/25	79% (Predicted)

<sup>1</sup>Medr and Estyn recognised the negative impact of Covid 19 and the resulting economic crisis and did not use or publish framework completion data for providers or the WBL network for 2019/20 and 2020/21 and not for the WBL network for 2021/22. They are also not using our internal data as part of quality audits or inspections, as it has not been externally verified. Therefore, the framework completions rates for 2019/20 and 2020/21 in the table above are from internal data and not externally validated, unlike previous years.

<sup>2</sup>For 2024/25, the framework rate of 79% is provisional as the final data for 2024/25 is not yet available.

2023/24 is the first-year post Covid that we will have met the 75% framework achievement quality performance indicator set by Medr. In 2022/23, Medr indicated their 75% framework completion target (set pre pandemic) was aspirational for 2019/20 to 2022/23 due to the impact of external (pandemic and economic) factors.

Some of our key apprenticeship delivery sectors are showing very strong framework completion rates which are exceeding national comparators e.g. Health & Social Care's provision framework achievement rates of 75% for Level 2&3 and 69% for Higher Apprenticeships. This delivery area has built a strong reputation in the sector for high quality training provision whilst adapting to circumstances and employers' evolving needs and continuing to grow in the volume and breadth of their apprenticeship offer, being our largest apprenticeship delivery area.

Our apprenticeship quality improvement work and Apprenticeships for All strategy for Wales and England continues to make a real impact to our apprentices and their employers, as recognised in various UK Award wins in 2024/25:

Quality Professional Awards 2025 - Further Education and Employability for our Mental Health and Wellbeing initiatives, which included the work undertaken with ALN on the Mental Health Toolkit

Inside Out Awards 2025 for Public Sector Employer of the Year 2025 Shortlisted for its initiatives around Mental Health and Wellbeing for learners and staff

APSE Building & Housing Apprentice Awards 2025 – two apprentices shortlisted with one winning 4th year apprentice of the year and the other achieving second in the 2nd year apprentice category

CFA Flooring Apprentice of the Year competition - Runner Up

Further apprentice success has been recognised within the World Skills competitions.

The College work closely with 2 Universities to co-deliver Degree Apprenticeship programmes. One is with Swansea University for Software Engineering, and the other is with Cardiff University for Mechanical & Electrical Engineering. These are funded through Medr (previously by Higher Education Funding Council Wales (HEFCW)) contracts with the Universities who sub-contract to us.

## English Government Apprenticeship Delivery 2024/25

The College continues to have a small specialist apprenticeship offer in England. For 2024/25, the College had 50 apprentices across 16 employers working with internal GCS Training and Engineering Departments.

The College is currently reviewing its strategic position with regards to the delivery of WBL in England.

In 2024/25, we offered English apprenticeship standards across 4 routes.

### *Qualification Achievement rates – English Government funded apprentices.*

Contract year	Our Qualification Achievement Rate	QAR Sector Average (national statistics)	Total number of ESFA apprentices on programme with GCS
2018/19	95%	64%	99
2019/20 <sup>1</sup>	73%	58%	37
2020/21 <sup>2</sup>	44%	53%	35
2021/22 <sup>3</sup>	25%	51%	32
2022/23 <sup>4</sup>	56%	54%	62
2023/24 <sup>5</sup>	54%	60%	55
2024/25	55% (Predicted)	Not yet available	50

<sup>1</sup>Institution level QAR was not published by ESFA, only a sector average, therefore, our data listed for this year is in internal, non-validated data.

<sup>2</sup>The overall figure is skewed by two routes where achievement was delayed as all learners were working in a hospital and their learning programme planned achievement was delayed due to Covid. Therefore, these routes had 0% achievement rate. However, the other 3 routes had 100%, 100% and 67% achievement rates

<sup>3</sup> The overall figure is skewed by two routes where achievement was delayed as all learners were working in a hospital and their learning programme planned achievement delayed due to Covid. Therefore, these routes had 0% achievement rate. However, the other 2 routes had 100% achievement rates.

<sup>4</sup>The overall figure is skewed by one route where achievement was delayed as all learners were working in a hospital and their learning programme planned achievement was delayed due to Covid. Therefore, this route had 0% achievement rate. However, the other 1 route had 100% achievement rate.

<sup>5</sup>The overall figure is skewed by two routes with 6 Team Leader early leavers in 1 employer who moved employer and 1 Facilities Services early leaver with the remaining cohort due to complete 24/25. Therefore, both these routes had 0% achievement rate. However, the other 2 routes had 75% and 100% achievement rates.

## Higher Education

Gower College Swansea continues to look to expand its role as a leading provider of College Based Higher Education, complementing the regional university offer and responding to the evolving skills requirements of employers and learners. The College has published a new Higher Education Strategy 2025–2029 demonstrating a commitment to delivering high quality, industry focused provision, particularly at Levels 4 and 5 that supports progression into well paid careers and provides progression pathways for College level 3 students.

As part of this Strategy the College is looking to develop flexible programmes that reflect the priorities of the local economy, responding to Labour Market Intelligence. This includes part time, professional, higher and degrees apprenticeship routes designed to support vocational and technician level employment in key sectors such as Engineering, Construction, Health and Care, STEM and Education and respond to key regional developments such as the Celtic Free Port.

The strategy places a strong emphasis on widening participation, ensuring that learners from disadvantaged backgrounds have accessible pathways into higher education. Internal progression from FE to HE is a strategic priority, with a relatively high proportion of UCAS applicants applying for Disabled Students' Allowance (DSA), and all students will receive a bursary demonstrating the College's commitment to inclusive education and learner support.

The College will continue to actively develop partnerships with employers and universities to co-create programmes that are responsive, accredited, and aligned with industry needs. Current collaborations included those with the University of Wales Trinity Saint David, University of South Wales, Swansea University, Cardiff University, and Cardiff Metropolitan University. Each year, the College supports around 100 full-time HE students, alongside a growing number of part-time and professional learners, including those studying at the award winning Sketty Hall Business School. As part of the Strategy the College will further enhance and expand collaboration with employers as stakeholders and streamline University partnerships to maximise impact.

In preparation for future regulatory changes, the College is engaging with Medr, the new oversight body for post-compulsory education in Wales, the College is progressing towards Registered Provider status and positioning itself for future Foundation Degree Awarding powers. This reflects the College's ambition to achieve greater autonomy in its HE provision and to be recognised for its academic credibility and quality assurance.

The College's HE strategy also commits to embedding a distinctive HE culture across the institution, strengthening its academic infrastructure, and enhancing the learner experience through small class sizes, personalised support, and flexible delivery models. These developments position Gower College Swansea to play a key role in addressing the higher level skills gap across Swansea, Wales, and beyond.

## Financial Performance

The College's educational performance is backed up with a sound and robust financial performance. The College's underlying financial performance, measured as "Adjusted EBITDA" (and defined as EBITDA before exceptional items and actuarial pension adjustments) is as follows:

	2024/25 (£000')	2023/24 (£000')
<b>"Adjusted EBITDA"</b>	<b>2,051</b>	<b>1,675</b>
Share of profits in associate company	33	216
Net interest (payable)/receivable	557	658
<b>Cash generated for re-investment</b>	<b>2,641</b>	<b>2,549</b>
Depreciation, diminution and amortisation (net of grants)	(1,919)	(1,584)
Exceptional staff costs	(256)	(304)
Minority interest	-	1
<b>Surplus before pension adjustments</b>	<b>466</b>	<b>662</b>
Actuarial pension adjustments	-	-
<b>Surplus/(Deficit) for the year</b>	<b>466</b>	<b>662</b>

Table 5 – Financial Performance

## Financial results

The Group generated a sector "Adjusted EBITDA" of £2,051,000 (2023/24: £1,675,000) and total comprehensive income of £466,000 (2023/24 – £662,000).

For 2024/25, the total recurrent grant funding for the College increased by £2,847,000 for direct delivery to students. The College welcomes the commitment by WG to the FE sector through the additional funding. At the same time the College has met contractual scale point movements on the staffing pay scale and continues to match the Living Wage rate which increases each November.

Against this back-drop, the generation of a surplus before non-cash pension costs for reinvestment in the College represents a commendable performance. The College also recognises the need for future investment, including the development of its estate to meet the future needs of the learner. Therefore, the College continues to provide the resources for this future investment.

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102. Strong asset performance increases in AAA bond rates (and hence a higher discount rate) have resulted in the elimination of the LGPS pension deficit (2023: £nil deficit).

The balance sheet of the Group and College is in a net asset position at 31 July 2025 of £43.7 million.

The College has a strong balance sheet at 31 July 2025:

- Net current assets of £10.8 million
- Cash and investment balances of £14.2 million

In addition, The Group continues to generate cash surpluses annually for investment in the infrastructure of the College. Therefore, the College has sufficient resources to meet its obligations as they fall due and it remains appropriate to prepare the financial statements on a going concern basis.

Tangible fixed asset additions during the year amounted to £10,037,000. This was split between improvement to land and buildings of £7,372,000 and equipment purchased of £2,665,000. This investment was part financed through Welsh Government grants.

The College also welcomed the allocation from Welsh Government of estates capital and maintenance grants and IT infrastructure and equipment grants in the year. These grants have been utilised during the year improving the College facilities for staff and students. A particular focus has been on updating the College's estate for energy efficiency along with enhancing the IT infrastructure.

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, Medr provided 55% (2023/24: 54%) of the Group's total income through the recurrent grant. It is a key College target within the strategic plan to reduce the level of reliance on recurrent grant income from Medr.

### **Treasury policies and objectives**

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

The College has a separate treasury management policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum issued by the Welsh Government.

### **Cash flows and liquidity**

At £5,045,000 (2023/24: £1,760,000), operating net cash inflow was strong.

Current borrowing levels are low and estate developments have historically been funded through a mixture of cash reserves, bank borrowing and Medr grants.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was comfortably exceeded.

The College will also strive to achieve further efficiencies through procurement initiatives and collaboration with other public sector institutions. During the year, the College achieved procurement savings of 3% which was in line with the Medr target.

### **Creditor Payments**

The College is aware of its obligations under The Late Payment of Commercial Debt (Interest) Act 1998. It is the College policy for all suppliers to be paid within the payment terms of each individual supplier. During the year, the College made payments on average within 13 days (2023/24: 14 days) from the date of the invoice. The College did not incur any interest under The Late Payment of Commercial Debts (Interest) Act 1998.

### **Reserves**

At 31 July 2025 the College had total reserves of £43.7 million and cash and investment balances of £14.2 million.

The College holds its reserves for reinvestment and renewal of its estate and to provide facilities and equipment to meet the needs to students and staff. This investment is reviewed as part of the Estates Strategy.

### **Estates Strategy**

Our vision is that the College will have first class facilities for all its learners.

The College is aware of the increasing demographic for school leavers in Swansea over the next 3 years and will continue to invest in the development of its estate to meet the anticipated increases in enrolments in future years. To accommodate the increase the College has commenced a £21 million building and refurbishment programme at its Gorseinon Campus. Welsh Government have approved funding for this project at an intervention rate of 65%. The balance of the project costs will be met from existing cash reserves.

The College has also been successful in securing capital grants for the refurbishment of part of the Tycoch Campus. The £8 million project will reduce the campus carbon footprint and remove the identified RAAC material from the main teaching block.

During the year the College commissioned a number of surveys (including with a focus on net zero carbon) to allow the College to develop a longer-term estates strategy. This has identified the significant costs to achieve a move towards net zero carbon and to improve and maintain current facilities and formed the basis of the updated Strategic Outline Plan.

The College's Strategic Outline Plan submitted to the Sustainable Communities for Learning programme for additional funding from Welsh Government to develop further excellent facilities for students across all campuses was updated and approved during the year. The College will now need to submit more detailed business cases for each project to draw down the grant funding. The current intervention rate for this programme is 65%.

The College is planning on delivering (subject to funding) projects to deliver:

- Built Environment facilities (including Energy Centre, fabrication and welding)
- An enhanced City Centre presence
- Sports Facilities

These projects are in addition to the £21million improvements to the Gorseinon Campus and £8 million improvements to the Tycoch Campus that commenced during the year and are scheduled for completion during 2026.

### **Risk Management, Principal Risks and Uncertainties**

The College Risk Management Committee meets at least termly and is constituted of senior managers of the College and is chaired by the Vice Principal Finance and MIS. At each meeting a review is performed of the risks to which the College is exposed.

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Risk Management Committee undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the

likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

### **Medr recurrent grant**

The College has considerable reliance on continued government funding through Medr. In 2024/25, 55% (2023/24: 54%) of the Group's revenue was via the recurrent grant from Medr. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding. In the current economic climate WG are reviewing all streams of funding and in particular funding for post-16 education and further education is not currently "protected" by WG. Therefore, potential cuts to the overall education budget may impact the FE sector more adversely than other areas.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training.
- Considerable focus and investment are placed on maintaining and managing key relationships with Medr and with the Welsh Government both directly by the College and through Colegau Cymru.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Regular dialogue with funding bodies.

The College is actively seeking alternative and additional sources of funding. This includes a focus on commercial activity, higher education, apprenticeship and commercial activity in England and building on the growing reputation of the College internationally as a centre for overseas students studying A level programmes.

### **Energy costs**

Energy costs for the College (and all organisations) have increased significantly over recent years. They have now started reducing from these high levels but will still remain higher than historical prices levels. The College uses commodity brokers who forward purchase energy on the wholesale market in order to mitigate the impact of short-term spikes in energy prices.

The College has looked to partially mitigate this through enhancing the sustainability of the College estates though measures such as LED lighting, enhanced Building Management Systems (BMS) controls and additional insulation which has reduced overall gas and electricity consumption.

## Shared Prosperity Fund

The College has historically utilised the Shared Prosperity Fund (SPF) (and previously ESF funding) to support employer engagement and deliver work placed training to staff at local employers throughout the region. Significant SPF funding was also used to support the Employability Hub activities, Better Jobs, Better Futures.

The College successfully extended these projects to December 2025. If the College cannot obtain alternative funding after this date, then the College may need to reduce or cease these activities.

## Payroll Costs

Teachers in Wales received a cost of living pay award from August 2024 of 5.5%. This increase was partly funded via an increase in the recurrent grant. The College welcomes Medr's recognition of the teaching profession in Wales and its position that FE lecturers in Wales are performing the same role as teachers in schools.

The review of the Teachers Pension Scheme by the UK Government Actuary has resulted in an increase in employer pensions of 21% (from 23.68% to 28.68% of pensionable pay) from April 2024. This has been funded to date by additional grants from Medr.

In April 2025, the UK Government significantly increased employers' national insurance contributions. The increase has been part funded (88%) by Medr in the current academic year. However, the quantum of future funding of these costs has not been confirmed.

The College (like the rest of the education sector) will not be able to meet these pressures of pay awards and increases in national insurance and pension contributions without additional funding from Medr.

## IT Infrastructure

All organisations are becoming ever more dependent on their IT systems, and colleges are no exceptions. As the College continues to invest in its IT infrastructure, the risks affecting the College continue to increase. The number of malicious external attacks on all organisations is increasing.

The College is focused on continuously improving the robustness of its IT systems and has invested further during the year in maintaining certification in Cyber Essentials Plus.

Further, educational institutions are ever more reliant on this infrastructure for the delivery of education. This has been highlighted during the recent pandemic where all full-time learners have received some form of delivery via online remote delivery.

To meet this continued challenge and provide further resilience the College will continue to invest in its "Digital Vision" as part of its updated IT Strategy.

The College welcomes the capital grant funding from Welsh Government to part fund these important developments for the sector.

## Health and Safety

The College is committed to providing a safe learning environment for students and staff. The College Health & Safety Committee meets to ensure robust processes and procedures are in place for all aspects of College life and particular emphasis is placed on areas such as educational trips and third-

party premises used by students as part of their work placement. The College has a dedicated Health, Safety and Environment Manager.

The number of RIDDORS (reportable accidents) in this year was one (prior year: two). A thorough review has not identified any systematic issues and the College remains committed to eliminating all RIDDORS.

The College also operates a comprehensive risk assessment process with all risk assessments being updated annually.

## **Sustainability and the Environment**

The College continues to promote sustainability and during the year the College's Sustainability and Environment Group met on a termly basis. The Group includes senior managers, representatives from teaching teams, student members and operational managers for catering, estates, libraries, procurement and IT.

All areas with high sustainability impact have set targets for the 2024/25 academic year which will contribute towards improving sustainability and reducing the College's carbon footprint.

The College has been successful in obtaining and maintaining its Green Dragon Level 5 Award for Environmental Management.

## *Waste*

The College encourages all staff to minimise waste in line with reduce, reuse and recycle. Recycling bins are available across all sites and are collected separately by the College's waste disposal contractor. The number of such bins has increased during the year with the College fully implementing the additional Welsh Government legislative requirements regarding segregating waste streams.

The College appointed a new waste contractor in 2025 and has developed plans to improve the recording of waste disposal. This will allow the College to identify baselines and targets for increasing recycling levels in future years.

## Energy

The College utilised Welsh Government maintenance grants during the last two years to focus on reducing energy consumption through the introduction of LED lighting, improved heating controls and roofing insulation to improve heat retention in the buildings.

This has allowed the College to accurately measure the energy consumption across different locations and apply targeted measures across high consumption areas.

	2023/2024	2024/2025
Energy consumption break down (kWh):		
Gas	3,069,989	2,538,420
Electricity	2,127,024	2,119,132
Transport (Miles) - owned vehicles	23,827	25,031
Transport (Miles) - employee vehicles	162,027	191,869
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	565	390
Owned transport – mini-buses/ coaches	4	5
Total scope 1	569	395
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	452	450
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	45	54
Total gross emissions in metric tonnes CO2e	1,066	898
Intensity ratio		
No. Staff	1,121	1,119
Tonnes CO2 per member of staff	1.0	0.8

The investment in the past two years has resulted in reductions in both gas and electricity consumption. There has been an increase in emissions from College and staff vehicles as the levels of travel have increased reflecting the emergence from Covid restrictions. However, the levels remain significantly below those pre-Covid as the benefits of technology developed during Covid continue to be applied.

## Modern Slavery

In accordance with the Modern Slavery Act 2015, the College has adopted and approved its Slavery and Human Trafficking Statement.

## Equal opportunities

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value differences in race, gender, sexual orientation, disability, religion or belief and age and strive to remove barriers which place people at a disadvantage.

The College publishes an Annual Equality Report, containing its Gender Pay Gap figures and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The Strategic Equality Plan and the annual Equality and Diversity Progress Report are published on the College's website.

The College has an established Equality and Diversity Team that meets on a regular basis. Members include senior managers, staff from across all campuses and student representatives.

In the past year we have organised a number of activities including our annual Rainbow Day, our reinstated Cultures Week, a continued commitment to anti-racism training for our staff and a number of other events to promote equalities amongst both our staff and students.

The College is currently a Stonewall Proud Employer, a Disability Confident employer, and we are in the process of renewing our status as a College of Sanctuary. We are working with a large number of third sector organisations to ensure that we can support everyone who makes up our College community, this includes EYST, The Centre for African Entrepreneurship, Swansea YMCA, Stonewall Cymru, Swansea City of Sanctuary and Swansea Multicultural Hub. As part of these links we have attended events with these organisations, invited them into the College to speak to learners and collaborated on projects to help both our learners and their service users.

Over the next year we are looking to establish new ways of working to try to lower our gender pay gap. As part of this we will review our policies around maternity, flexible working and parental leave. We hope that through these actions we will be able to narrow the gender pay gap and ensure more parity between our employees. However, we recognise that there are some low-paid areas such as cleaning and catering that are female dominated and that this will represent a challenge to reaching greater equality.

## Governance

The College has a well-developed governance structure with a fully functioning committee structure and well attended Board meetings. The Board represents a broad range of community and business interests and provides both scrutiny and support for the executive. The Board includes two student representatives and two staff representatives.

Apart from chairing Board meetings, The Chair of Governors has responsibility for the line management of the Chief Executive, the Principal and the Clerk. In addition, there are meetings with strategic partners, inspectors and other external bodies that require his attendance on behalf of the College. He consults regularly with the Chief Executive and the Principal.

## External Matters

The College enjoys a strong reputation locally as well as nationally, and more recently internationally.

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

- Students and parents
- Welsh Government
- Medr
- Local schools
- Staff
- Local employers (with specific links)
- Local authorities
- The local community
- Other FE Institutions
- Higher Education Institutions
- Trade unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with them through a variety of different means.

The College continues to have good and, in some cases, excellent relationships with all secondary schools across the City and County of Swansea as well as others across the wider South West Wales region. Collaboration with school Sixth Forms on other items including the sharing of best practice and curriculum development / delivery remains challenging, but with the introduction of the new 3-16 Curriculum for Wales, new vocational GCSEs and increasing financial pressures we are optimistic that greater progress can be made in the future.

In addition, the College continues to play an active role in a wide range of local partnerships – including the Swansea NEETs Prevention Partnership, Regeneration Swansea and the various Swansea Adult Community Learning groups.

Over the years, the College has strategically positioned a number of internal structures and curriculum areas to respond effectively to the opportunities and challenges presented by the Swansea Bay City Deal and other major local and national initiatives.

Notable examples include our dedicated Energy Centre, which delivers a comprehensive range of courses supporting industries in energy and sustainability sectors, and the Sketty Hall Advisory Board. The Advisory Board brings together senior representatives from a diverse spectrum of industry and business partners, demonstrating our commitment to ensuring meaningful collaboration between education and industry. With the new Skills and Talent programme being led through the Regional Skills Partnership, the College also continues to be committed to the Partnership and its various sub committees.

The College remains committed to increasing the number of talented students gaining entry to the top universities in the UK and indeed is held in esteem by some of the UK's most prestigious HEIs.

The College is also the lead in the Swansea Seren Hub. The Seren Hub is a collaboration between the College and Swansea Sixth Form schools which will provide support to enable more young people from Wales to gain places at top Universities across the UK.

In 2024/25, Gower College Swansea registered 107 competitors for Skills Wales competitions, across 28 different competition areas. 17 learners were successful earning medals across multiple vocational areas: 7 bronzes, 5 silver, and 5 gold, with 14 being highly commended and 2 learners achieving the 'Best in Region'. This compared to 5 bronzes, 3 silver, and 12 gold in 2023/24 (NB In 2023/24 5 of the gold medals were won in a group competition). Entries for the UK Skills competitions increased by 20%, from 40 in 2023/24 to 48 in 2024/25, with 7 learners advancing to the UK Skills Finals in November which is also an increase of two learners from 23/24.

The College is proud to host the Skills Competition Wales and WorldSkills UK regional finals for Industrial Electronics, an area where the College excelled, winning gold, silver, and bronze. The College continues to maintain its UK WorldSkills 'Centre of Excellence' status and secured funding through the UK Skills Practitioner Innovation bid to launch the 'Skills Sphere' Innovation Project, introducing pressure testing in three new curriculum areas in 2023/24 and this work has continued into 2024/25. Furthermore, the College continues to embed an accredited Inspiring Skills module into its PcET programme to ensure future lecturers, trainers, and assessors recognise the importance of skills-based competitions for both learners and industry. The College is proud to have been selected as one of the six host centres for the UK World Skills Torch Relay, an event that celebrates the importance of skills development and a preamble to the UK finals hosted in Wales for the first time. This demonstrates the College's ongoing commitment to staff development and the promotion of skills competitions, highlighting the significant benefits these competitions bring to learners and staff alike.

The College has in recent years run a suite of employability programmes – called Better Jobs Better Futures from our premises in the City which responded to some of the specific challenges in Swansea in terms of both 'into work' projects (young people, 25+ and at risk of NEET) and 'in work' projects (underemployed and women). These were previously ESF funded and more recently funded through the Shared Prosperity Fund.

College managers actively engage in a broad spectrum of partnership activities throughout the FE sector. At a national level, the College's CEO and Principal participate in the Principals Forum and serves as a member of the Colleges Wales Finance Directors Group. The Principal is a member of the RLSP, and the CEO chairs the Adult Learning Partnership across Swansea.

The further education sector in Wales has faced exceptional challenges this year, and the College would like to express its sincere gratitude to staff, students, and fellow Governors for their unwavering commitment and valuable contributions throughout this period.

The College is well-positioned and remains resilient to meet future challenges ahead.

#### **Disclosure of information to auditors**

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

Approved by order of the members of the Corporation on 11 December 2025 and signed on its behalf by:



Ian Price

Chair of the Corporation

# Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 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 Governance Code for Further Education published by Colegau Cymru in January 2016 ("the Code"); and
- iii. Having due regard to the UK Corporate Governance Code 2024 insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code. Whilst not having adopted the UK Corporate Governance Code 2024 the College has due regard to its principles and guidance. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with/exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Governance Code for Further Education published by Colegau Cymru in January 2016, which it formally adopted on 11 February 2016.

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

## The Corporation

The members who served the College during the year and subsequent to the year-end up to the date of signing the Annual Report were as follows:

Governor	Year of Appointment/ Reappointment	Term of Office	Attendance at Corporation Board	Committees Served During the Year
Mr I Price (Chair)	2024	4 Years	5 / 9	Chair of the Corporation (from April 2025), A (to April 2025), S&G, Rem
Mr M Howells	2016/2020/2024	4 Years	9 / 9	Chair of the Corporation (from August 2020 – December 2024) F, CPE, S&G, Rem
Mr F Banza	2023 (September)	4 Years	7 / 9	A, LE
Mr M Basha	2024	4 Years	3 / 3	C&Q
Mr C Carter (NUS, student)	2024	1 Year	7 / 7	C&Q, LE
Mrs K Dusgate	2024 (June)	4 Years	8 / 9	C&Q, S&G
Mrs K Fountain (CEO from July 2025)	2024	Whilst Principal / CEO	8 / 8	C&Q, CPE, F, LE
Mr D Griffiths	2022 (July)	4 years	8 / 9	A, S&G
Mr D Howells	2023 (May)	4 years	9 / 9	F, CPE
Dr A Iwobi	2021	4 years	7 / 8	A, C&Q
Mr M Jones (CEO until July 2025)	2013	Whilst CEO	8 / 8	CPE, F
Mr P Kift (Interim Principal from July 2025)	2025 (July)	Whilst Interim Principal	0 / 0	
Mrs M Leyshon	2019/2023	4 years	1 / 2	S&G, Rem
Miss I Milligan (staff)	2023 (June)	4 years	1 / 3	LE, C&Q
Cllr S Pritchard	2019/2020/2022 (July)	4 years	5 / 9	LE
Dr J Rance	2020/2025	3 years	9 / 9	F (Chair), CPE, Rem
Cllr R Smith	2022 (July)	4 years	2 / 9	C&Q, F
Professor C Thomas	2020	4 years	0 / 1	C&Q (Chair until October 2024)

Miss H Thomas (Staff)	2022 (July)	4 years	5 / 7	LE, C&Q,
Mr S Tse (Vice Chair)	2022 (April)	4 years	5 / 9	S&G, F, Rem
Mrs A Vickers	2021(June)	4 years	8 / 9	A (Chair), S&G, Rem
Ms R Wahbi (Student)	2024 (November)	1 year	5 / 6	LE
Mrs J Williams	2024 (June)	4 Years	9 / 9	C&Q (Chair from October 2024), LE
Mrs S Williams	2016/2020/2024	4 years	5 / 9	LE (Chair), A

Mr M Howells served as the Chair of the Corporation Board until December 2024. Mr I Price was appointed Chair of the Corporation in April 2025. Mr S Tse undertook the role of Chair in the intervening period.

Mr J Britton served as a co-opted member of the Capital Projects and Estates Committee until February 2025. Mr G Davies served as a co-opted member of the Curriculum and Quality Committee. Ms F Lopes served as a co-opted member of the Learner Experience Committee.

During the course of the year Mrs M Leyshon resigned from the Board due to other commitments and Miss I Milligan ceased to be a staff Governor on leaving employment of the College in January 2025.

During the year, Professor C Thomas and Mr A Iwobi came to the end of their first four-year terms and did not seek re-election.

Mr M Basha was appointed as a Governor during the year.

Mr C Carter (Students' Union President) served during the year as a student governor by way of his position as Students' Union President. Ms R Wahbi was appointed as student governor for 2024/25 and has been appointed as Students' Union President for 2025/26.

Key:			
F	Finance Committee	Rem	Remuneration Committee
HROD	Human Resources and Organisational Development Committee	C&Q	Curriculum & Quality Committee
S&G	Search & Governance Committee	LE	Learner Experience Committee
A	Audit Committee	CPE	Capital Projects and Estates Committee
*1	Appointed in August 2023 as NUS Branch President		

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

The Corporation is provided with regular and timely information on the overall financial performance of the College, together with other information such as, performance against funding targets, proposed capital expenditure, quality matters, environmental issues, and personnel related matters such as health and safety, and equality and diversity. The Corporation meets at least once each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Audit Committee, Capital Projects and Estates Committee, Curriculum and Quality Committee, Finance Committee, Human Resources and Organisational Development Committee, Learner Experience Committee, Remuneration Committee, and Search and Governance Committee. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation.

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

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

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

There is a clear division of responsibility in that the roles of the Chair, the Chief Executive and the Principal are separate.

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee which comprises six governors who are responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years.

### **Chair of Governors**

The role of the Chair of Governors is to chair the Corporation Board meetings. In addition, the Chair is responsible for responding to any matters affecting the College as they arise. However, the Chair has no authority to act other than in support of the decisions taken by the Corporation Board: The Further Education Corporations (Replacement of Instrument and Articles of Government) (Wales) Order 2006, and the Gower College Swansea Further Education Corporation (Government) Regulations 2010 (as amended by the Board).

## **Chief Executive Officer and Principal**

The roles of both the Chief Executive Officer and the Principal are also members of the Corporation Board. The Chief Executive Officer is responsible as Accounting Officer (a responsibility defined by Act of Parliament) for the day-to-day running of the College.

There is a clear division of responsibility in that the role of the Chair of Governors is separate from that of the Chief Executive Officer and of the Principal.

No Governor, other than the Chief Executive Officer, the Principal and the Staff Governors, receives any remuneration from the College. One student governor receives remuneration in respect of their role as NUS Branch President.

All Governors and Senior Staff of the College are required to complete a declaration of interests, and the information is included in the Members' Register of Interests, which is open to inspection.

## **Finance Committee**

The Committee comprises seven Governors and meets to consider, advise and report to the Corporation Board on all aspects of the College's finances, financial policies and controls, including the financial aspects of estates developments. The Committee met on 5 occasions during 2024/25.

## **Capital Projects and Estates Committee**

In recognition of the potential estates' developments planned over the next five years, the Governors have formed a Capital Projects and Estates Committee. The Committee met on 5 occasions during 2024/25.

## **Human Resources and Organisational Development Committee**

The Committee meets to consider, advise and report to the Corporation Board on all matters relating to employee issues. The Committee was in abeyance for 2024/25 due to the low number of employee issues arising and any relevant matters were considered by the Corporation Board. The Committee will meet on an ad-hoc basis when required by the Corporation Board in future years.

## **Search and Governance Committee**

The Committee comprises six Governors whose purpose is to advise the Corporation on the appointment of new members of the Corporation and recommend policies and procedures for the induction, appraisal and governance development of the Corporation. The Committee convened on 4 occasions during 2024/25.

## **Curriculum and Quality Committee**

The Committee comprised of eight Governors and one co-opted member in 2024/25. The Committee's purpose is to advise the Corporation Board on the determination of the educational character and mission of the College and to receive and consider internal and external reports on quality assessments following inspections into curriculum areas within the College. The Committee met on 3 occasions during 2024/25.

## **Learner Experience Committee**

The Committee comprises of seven Governors whose purpose is to advise the Corporation Board on the arrangements made to support students during their time at the College. The Committee met on 3 occasions during 2024/25.

#### **Remuneration Committee**

The Committee's responsibilities are to make recommendations to the Board on the remuneration and other terms and conditions of the Chief Executive Officer, the Principal and the Clerk, (the College's three Senior Post-holders) to the Board. The Committee has four members. The Committee met twice during 2024/25. Details of remuneration for the year ended 31 July 2025 are set out in Note 7 to the Financial Statements.

#### **Audit Committee**

The Audit Committee has comprised six members of the Corporation in 2024/25. The Committee operates in accordance with written terms of reference approved by the Corporation. The Committee convened on four occasions during 2024/25.

Attendance by members during the year was as follows:

	3.10.24	02.12.24	17.02.25	05.06.25	Total
Mrs A Vickers (Chair)	X	X	X		3/4
Mr F Banza		X	X	X	3/4
Mr D Griffiths	X	X	X	X	4/4
Dr A Iwobi	X	X	X	X	4/4
Mr I Price	X		X	n/a	2/3
Mrs S Williams	X	X		X	3/4
Total	5/6	5/6	5/6	4/5	
(X denotes attendance)					

The Committee provides a forum for reporting by the College's internal and financial statement 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 Medr and Welsh Government as they affect the College's business.

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

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

The Audit Committee also advises the Corporation on the appointment of internal and financial statement auditors and their remuneration for both audit and non-audit work.

## Minutes of Meetings

Minutes are retained of all Corporation Board and Committee meetings. The minutes of the Committee meetings are provided to all Governors subject to the exclusions described in Gower College Swansea Further Education Corporation (Government) Regulations 2010 (as amended by the Board) and reports are received by the Corporation Board from the Chairs of the various Committees.

Minutes of the Corporation Board meetings are made available to the public subject to the exclusions described in The Gower College Swansea Further Education Corporation (Government) Regulations 2010 (as amended by the Board).

The Board minutes incorporate any significant matters reported by the Committees. The minutes are available from the Clerk to the Corporation.

## Internal control

### Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between Gower College Swansea and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

### The purpose of the system of internal control

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

### Capacity to handle risk

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

### The risk and control framework

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

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

Gower College Swansea has an internal audit service, which operates in accordance with the requirements of Medr and the Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, Internal Audit provides the governing body with a report on internal audit activity in the College. The report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### Review of effectiveness

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

- The work of the internal auditors
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- Comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the 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 year ended 31 July 2025 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2025.

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

### Going concern

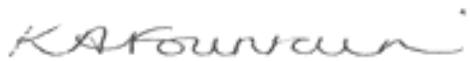
After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 11 December 2025 and signed on its behalf by:



Ian Price OBE

Chair of the Corporation



Kelly Fountain

Chief Executive and Accounting Officer

# Statement of Regularity, Propriety and Compliance

## Statement of the Accounting Officer

As Accounting Officer of Gower College Swansea, I confirm that the College has had due regard to the requirements of grant funding agreements and contracts with Medr and has considered its responsibility to notify Medr of material irregularity, impropriety and non-compliance with terms and conditions of funding.

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

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



**Kelly Fountain**

Chief Executive and Accounting Officer

## Statement of the Chair of Governors

On behalf of the College, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



**Ian Price OBE**

Chair of the Corporation

# Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Medr and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from Medr, and any other public funds, are used only in accordance with the Financial Memorandum issued by the Welsh Government and any other conditions that may be prescribed from time to time by Medr or any other public funder. On behalf of the Corporation, the Chair of the Corporation Board is responsible for discussing the Accounting Officer's Statement of Regularity, Propriety and Compliance with the Accounting Officer.

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

Approved by order of the Members of the Corporation on 11 December 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read "Ian Price".

**Ian Price OBE**

**Chair of the Corporation**

# Independent Auditors Report to the Members of Gower College Swansea

## Opinion

We have audited the financial statements of Gower College Swansea (the 'Group') for the year ended 31 July 2025 which comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's 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 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 Report of the Governing Body, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Governing Body, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Governing body**

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 34, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the Welsh Government funding agreements, the Estyn regulatory framework, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud, and money laundering regulation.

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Opinion on other matters prescribed in the Further Education Audit Code of Practice 2015 issued by the Welsh Government**

### **Report on other legal and regulatory requirements**

We are required to report on the following matters under the Further Education Audit Code of Practice 2015 (effective 1 August 2014) (“the Audit Code of Practice”) issued by the Welsh Government under the Learning and Skills Act 2000.

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice and Financial Memorandum Management Code issued by the Welsh Government remain in place at the date of our report. In view of this transfer, any reference to Medr in our report should be read as also referring to the Welsh Government.

In our opinion, in all material respects:

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

### **Use of the audit report**

This report is made solely to the Governing Body as a body in accordance with the Group’s Articles of Government. 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 Group and the Governing Body as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars LLP

8th Floor, Assembly Building C

Cheese Lane

Bristol

BS2 0JJ

# Consolidated and College Statement of Comprehensive Income

Financial component	Notes	2025 Group £000'	2025 College £000'	2024 Group £000'	2024 College £000'
<b>INCOME</b>					
Funding body grants	2	52,399	52,399	48,948	48,948
Tuition fees and education contracts	3	3,378	3,378	2,987	2,987
Other grants and contracts	4	3,600	3,600	3,754	3,754
Other income	5	2,694	2,694	2,587	2,587
Investment income	6	686	686	805	805
<b>Total income</b>		<b>62,757</b>	<b>62,757</b>	<b>59,081</b>	<b>59,081</b>
<b>EXPENDITURE</b>					
Staff costs	7	44,017	44,017	40,355	40,355
Fundamental restructuring costs	7	256	256	304	304
Other operating expenses	8	12,946	12,946	12,994	12,990
Depreciation and amortisation	11,12	4,246	4,246	4,201	4,201
Interest and other finance costs	9	39	39	67	67
<b>Total expenditure</b>		<b>61,504</b>	<b>61,504</b>	<b>57,921</b>	<b>57,917</b>
<b>Surplus before other gains and losses</b>		<b>1,253</b>	<b>1,253</b>	<b>1,160</b>	<b>1,164</b>
(Loss)/profit on disposal of assets		-	-	(25)	(25)
Diminution in value of properties		-	-	-	-
Share of surplus in associates		33	33	216	216
<b>Surplus before tax</b>		<b>1,286</b>	<b>1,286</b>	<b>1,351</b>	<b>1,355</b>
Taxation	10	-	-	-	-
<b>Surplus for the year</b>		<b>1,286</b>	<b>1,286</b>	<b>1,351</b>	<b>1,355</b>
Actuarial (loss)/gain in respect of pensions schemes	25	(820)	(820)	(690)	(690)
<b>Total Comprehensive Income for the year before minority interest</b>		<b>466</b>	<b>466</b>	<b>661</b>	<b>665</b>
Minority interest		-	-	1	-
<b>Total Comprehensive Income for the year</b>		<b>466</b>	<b>466</b>	<b>662</b>	<b>665</b>
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		466	466	662	665
		<b>466</b>	<b>466</b>	<b>662</b>	<b>665</b>
<b>Surplus for the year attributable to:</b>					
Non-controlling interest		-	-	(1)	-
Group		1,286	1,286	1,352	1,355
		<b>1,286</b>	<b>1,286</b>	<b>1,351</b>	<b>1,355</b>
<b>Total Comprehensive Income for the year attributable to:</b>					
Non-controlling interest		-	-	(1)	-
Group		466	466	663	665
		<b>466</b>	<b>466</b>	<b>662</b>	<b>665</b>

Table 8 – Consolidated and College Statement of Comprehensive Income

# Consolidated and College Statement of Changes in Reserves

Financial Component	Income and expenditure account	Revaluation reserve	Total excluding Non-controlling interest	Non-controlling interest	Total
	£000'	£000'	£000'	£000'	£000'
<b>Group</b>					
Balance at 1 August 2023	31,573	11,053	42,626	1	42,627
Surplus from the income and expenditure account	1,352	-	1,352	(1)	1,351
Other comprehensive income	(690)	-	(690)	-	(690)
Transfers between revaluation and income and expenditure reserves	237	(237)	-	-	-
<b>Movement in the year</b>	<b>899</b>	<b>(237)</b>	<b>662</b>	<b>(1)</b>	<b>661</b>
Balance at 31 July 2024	32,472	10,816	43,288	-	43,288
Surplus from the income and expenditure account	1,286	-	1,286	-	1,286
Other comprehensive income	(820)	-	(820)	-	(820)
Transfers between revaluation and income and expenditure reserves	237	(237)	-	-	-
<b>Total comprehensive income for the year</b>	<b>703</b>	<b>(237)</b>	<b>466</b>	<b>-</b>	<b>466</b>
<b>Balance at 31 July 2025</b>	<b>33,175</b>	<b>10,579</b>	<b>43,754</b>	<b>-</b>	<b>43,754</b>
<b>College</b>					
Balance at 1 August 2023	31,570	11,053	42,623	-	42,623
Surplus from the income and expenditure account	1,355	-	1,355	-	1,355
Other comprehensive income	(690)	-	(690)	-	(690)
Transfers between revaluation and income and expenditure reserves	237	(237)	-	-	-
<b>Movement in the year</b>	<b>902</b>	<b>(237)</b>	<b>665</b>	<b>-</b>	<b>665</b>
Balance at 31 July 2024	32,472	10,816	43,288	-	43,288
Surplus from the income and expenditure account	1,286	-	1,286	-	1,286
Other comprehensive income	(820)	-	(820)	-	(820)
Transfers between revaluation and income and expenditure reserves	237	(237)	-	-	-
<b>Total comprehensive income for the year</b>	<b>703</b>	<b>(237)</b>	<b>466</b>	<b>-</b>	<b>466</b>
<b>Balance at 31 July 2025</b>	<b>33,175</b>	<b>10,579</b>	<b>43,754</b>	<b>-</b>	<b>43,754</b>

Table 9 - Consolidated and College Statement of Changes in Reserves

# Balance Sheets

Financial Component	Notes	2025	2025	2024	2024
		Group £000'	College £000'	Group £000'	College £000'
<b>Non-current assets</b>					
Intangible fixed assets	12	17	17	78	78
Tangible fixed assets	11	49,591	49,591	43,922	43,922
Investments	13	70	70	208	208
Investment properties	13	175	175	175	175
Pensions asset	25	-	-	-	-
		<b>49,853</b>	<b>49,853</b>	<b>44,383</b>	<b>44,383</b>
<b>Current assets</b>					
Trade and other receivables	14	6,510	6,510	4,577	4,577
Investments	15	-	-	3,000	3,000
Cash and cash equivalents	20	14,266	14,266	13,400	13,400
		<b>20,766</b>	<b>20,766</b>	<b>20,977</b>	<b>20,977</b>
<b>Less: Creditors – amounts falling due within one year</b>	<b>16</b>	<b>(9,956)</b>	<b>(9,956)</b>	<b>(9,593)</b>	<b>(9,593)</b>
<b>Net current assets</b>		<b>10,820</b>	<b>10,820</b>	<b>11,384</b>	<b>11,384</b>
<b>Total assets less current liabilities</b>		<b>60,673</b>	<b>60,673</b>	<b>55,767</b>	<b>55,767</b>
Creditors – amounts falling due after more than one year	17	(15,746)	(15,746)	(11,275)	(11,275)
Provisions					
Defined benefit obligations	25	-	-	-	-
Other provisions	19	(1,173)	(1,173)	(1,204)	(1,204)
<b>Total net assets</b>		<b>43,754</b>	<b>43,754</b>	<b>43,288</b>	<b>43,288</b>
<b>Unrestricted Reserves</b>					
Income and expenditure account		33,175	33,175	32,472	32,472
Revaluation reserve		10,579	10,579	10,816	10,816
<b>Total unrestricted reserves attributable to the Group</b>		<b>43,754</b>	<b>43,754</b>	<b>43,288</b>	<b>43,288</b>
Minority interest		-	-	-	-
<b>Total unrestricted reserves</b>		<b>43,754</b>	<b>43,754</b>	<b>43,288</b>	<b>43,288</b>

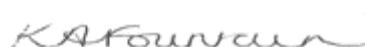
Table 10 – Balance Sheet

The financial statements on pages 40 to 75 were approved and authorised for issue by the Corporation on 11 December 2025 and were signed on its behalf on that date by:



Ian Price OBE

Chair of the Governing Body



Kelly Fountain

Chief Executive and Accounting Officer

# Consolidated Statement of Cash Flows

Financial Component	Notes	2025 £000'	2024 £000'
<b>Cash flow from operating activities</b>			
Surplus for the year		1,253	1,160
<b>Adjustment for non-cash items</b>			
Depreciation and amortisation		4,246	4,201
Decrease in debtors		1,594	606
(Decrease) in creditors due within one year		(1,610)	(2,174)
Increase / (Decrease) in creditors due after one year		994	(655)
(Decrease) in provisions		(31)	(1)
Pensions costs less contributions payable		(820)	(690)
<b>Adjustment for investing or financing activities</b>			
Investment income		(596)	(725)
Interest payable		15	33
Taxation paid		-	-
Loss on disposal of fixed assets		-	5
<b>Net cash flow from operating activities</b>		<b>5,045</b>	<b>1,760</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	1
Income from associate companies		171	142
Investment income		823	537
Reduction in deposits		3,000	1,000
Payments made to acquire fixed assets		(8,061)	(3,189)
		<b>(4,067)</b>	<b>(1,509)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(15)	(33)
Repayments of amounts borrowed		(97)	(1,576)
		<b>(112)</b>	<b>(1,609)</b>
<b>Increase / (Decrease) in cash and cash equivalents in the year</b>		<b>866</b>	<b>(1,358)</b>
Cash and cash equivalents at beginning of the year	20	13,400	14,758
<b>Cash and cash equivalents at end of the year</b>	20	<b>14,266</b>	<b>13,400</b>

Table 11 – Consolidated Statement of Cash Flows

# Notes to the Accounts

## 1, Statement of Accounting Policies and Estimation Techniques

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

### Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Gower College Swansea. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Corporation was established in Wales and the registered office is Gower College Swansea, Tycoch Road, Sketty, Swansea, SA2 9EB.

### 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 *Accounts Direction for FE Colleges in Wales* issued by Medr and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

### Basis of Accounting

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

### Basis of Consolidation

The consolidated financial statements include the College and its subsidiary, Track Training Limited, up to the date it was dissolved in February 2024. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2025.

## 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 presented in the Financial Statements and accompanying notes.

The College balance sheet has net assets of £43.7 million at 31 July 2025. This net asset position arises after deferred capital grants of £17.5 million (within creditors) and the actuarial movements in relation to the Local Government Pension Scheme. The pension asset at 31 July 2025 amounted to £nil. The net current asset position was £10.8 million.

The College has cash and investment balances of £14.3m at 31 July 2025 which includes grants received in advance of £0.4 million. This represents a decrease of £2.1m which has arisen through investment in the College's Estate. The College's forecasts and financial projections indicate that it will be able to operate within its existing facilities and covenants for the foreseeable future.

Enrolments of full-time learners in September 2025 were strong and enrolments in future years are expected to increase in line with the demographic for Swansea which identifies increasing numbers of school leavers for the next three years.

The College utilised Shared Prosperity Funds of around £2.6 million annually and this funding currently runs until December 2025. The College has budgeted for the end of these projects if future funding is not available.

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

## Recognition of Income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the recurrent grant is adjusted for and reflected in the level of recurrent grant recognised in the statement of comprehensive income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits.

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

Work Based Learning (WBL) funding is recognised when the income has been earned.

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.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

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

### Accounting for post-employment benefits

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

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

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

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

### Short Term Employment Benefits

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

### Enhanced Pensions

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

### Non-current Assets - Tangible Fixed Assets

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

#### *Land and buildings*

Freehold land is not depreciated.

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College of between 10 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

Where buildings and equipment are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Grants relating to the acquisition of land are recognised as income in the year they are received.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value buildings, which were valued on incorporation in 1993, but not to adopt a policy of revaluations of these properties in the future. The College also revalued land as part of the transitional arrangements as at 1 August 2014, but did not adopt a policy of revaluations of the land in the future.

#### Assets under construction

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

#### Equipment

Equipment which has a useful life in excess of one year is capitalised at cost.

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

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

#### Intangible Assets and Goodwill

Goodwill arising on acquisition of subsidiary companies is amortised on a straight-line basis over a period of 5 years from the date of acquisition.

Computer software and licences are capitalised as intangible fixed assets and amortised over the expected useful life of the software or licence of between 4 and 10 years. Annual software maintenance costs are charged to the Statement of Comprehensive Income in the year to which they relate.

#### Borrowing Costs

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

## Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

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

## Investments

### *Investments in subsidiaries*

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

### *Investments in associates*

Associates are entities in which the College has significant influence, but not control, over the financial and operating policies. In the consolidated financial statements, investments in associates are initially recognised at cost and are adjusted annually to reflect the Group's share of the surplus or deficit and other comprehensive income of the associate.

### *Other 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.

### *Investment Properties*

Investment properties are stated at open market value at the balance sheet date.

## Inventories

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

### Cash and Cash Equivalents

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

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

### Financial Liabilities and Equity

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

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

### Foreign Currency Translation

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

### Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

### Provisions and Contingent Liabilities

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the

discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

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

### Agency Arrangements

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

### Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

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

### *Other Key Sources of Estimation Uncertainty*

- Tangible fixed assets

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

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Under FRS 102 (28.22) a plan surplus would only be recognised as a defined benefit plan asset to the extent that the College is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The College follows the principles in FRS 102 which refers to the IFRIC 14/IAS 19 for the principles of measurement. This sets out that the net defined asset is the surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of reductions in future contributions to the plan. This economic accounting benefit is normally taken for an ongoing scheme as the "Net present value of future service cost less present value of future employer contributions over the future lifetime of the employer (infinite)". Therefore the College only recognises a pension asset where the calculation determines that an asset ceiling exists.

## 2, Funding Body Grants

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
£000'				
<b>Recurrent grants</b>				
Medr recurrent grant	34,638	34,638	31,791	31,791
Higher Education Funding Council for Wales	27	27	20	20
<b>Specific grants</b>				
Work Based Learning	9,944	9,944	9,032	9,032
Releases of Welsh Government capital grants	2,290	2,290	2,605	2,605
Other Medr grants	5,500	5,500	5,500	5,500
<b>Total</b>	<b>52,399</b>	<b>52,399</b>	<b>48,948</b>	<b>48,948</b>

Table 12 – Funding Body Grants

## 3, Tuition Fees and Education Contracts

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
£000'				
Adult education fees	304	304	316	316
Apprenticeship fees and contracts	122	122	119	119
Fees for FE loan supported courses	273	273	282	282
Fees for HE loan supported courses	1,021	1,021	922	922
International students fees	786	786	566	566
<b>Total tuition fees</b>	<b>2,506</b>	<b>2,506</b>	<b>2,205</b>	<b>2,205</b>
Education contracts	872	872	782	782
<b>Total</b>	<b>3,378</b>	<b>3,378</b>	<b>2,987</b>	<b>2,987</b>

Table 13 – Tuition Fees and Education Contracts

## 4, Other Grants and Contracts

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
£000'				
Erasmus and Taith funded activity	262	262	221	221
European Commission	100	100	16	16
Shared Prosperity Fund	2,649	2,649	2,529	2,529
Other grants and contracts	589	589	988	988
<b>Total</b>	<b>3,600</b>	<b>3,600</b>	<b>3,754</b>	<b>3,754</b>

Table 14 – Other Grants and Contracts

## 5, Other Income

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Catering and residences	1,095	1,095	1,058	1,058
Other income generating activities	148	148	148	148
Other grant income	313	313	313	313
Non-government capital grants	37	37	37	37
Miscellaneous income	1,101	1,101	1,031	1,031
<b>Total</b>	<b>2,694</b>	<b>2,694</b>	<b>2,587</b>	<b>2,587</b>

Table 15 – Other Income

## 6, Investment Income

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Other investment income	-	-	-	-
Other interest receivable	596	596	725	725
<b>Other Investment and Interest</b>	<b>596</b>	<b>596</b>	<b>725</b>	<b>725</b>
Net return on pension scheme (note 24)	90	90	80	80
<b>Total</b>	<b>686</b>	<b>686</b>	<b>805</b>	<b>805</b>

Table 16 – Investment Income

## 7, Staff Costs

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Wages and salaries	33,292	33,292	31,031	31,031
Social security costs	3,715	3,715	3,124	3,124
Other pension costs	7,010	7,010	6,200	6,200
<b>Staff costs</b>	<b>44,017</b>	<b>44,017</b>	<b>40,355</b>	<b>40,355</b>
Restructuring Costs	256	256	304	304
<b>Total</b>	<b>44,273</b>	<b>44,273</b>	<b>40,659</b>	<b>40,659</b>

Table 17 – Staff Costs

### Restructuring costs

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Contractual costs	182	182	201	201
Non-contractual costs	74	74	103	103
<b>Total</b>	<b>256</b>	<b>256</b>	<b>304</b>	<b>304</b>

Table 17a – Restructuring costs

The College has accounted for 22 severance payments in the year disclosed in the following bands:

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	Number	Number	Number	Number
£0 - £25,000	20	20	17	17
£25,001 - £50,000	2	2	3	3
£50,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 and higher	-	-	-	-
<b>Total</b>	<b>22</b>	<b>22</b>	<b>20</b>	<b>20</b>

Included within staff restructuring costs for the year are special severance payments (amounts outside of statutory and contractual requirements) totalling £74,000 (2024: £103,000). Individually the payments in the year were £29,624, £12,905, £7,949, £6,134, £3,871, £2,824, £2,681, £2,298, £2,158, £1,209, £1,209 and £1,136.

The Voluntary Redundancy scheme operated by the College was approved by the Board of Governors. All special severance payments in excess of £10,000 are approved by the Finance Committee.

### Staffing Numbers

Headcount	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	Number.	Number.	Number.	Number.
Teaching department staff	640	640	635	635
Non-teaching department staff	479	479	486	486
<b>Total</b>	<b>1,119</b>	<b>1,119</b>	<b>1,121</b>	<b>1,121</b>

Table 18 – Staffing Numbers

### Key Management Personnel (Group and College)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and are represented by the Strategic Planning Group which comprises the Chief Executive Officer, the Principal, the Vice Principal of Curriculum, Quality, Teaching and Learning, the Vice Principal of Skills and Partnerships, the Vice Principal of Learner Experience and Inclusion, the Vice Principal of People and Wellbeing and the Vice Principal of Finance and MIS. Staff costs include compensation paid to key management personnel for loss of office.

Headcount	Year ended 31 July	
	2025	2024
	Number.	Number.
The number of key management personnel including the Accounting Officer was:	6.8	5.6
<b>Total</b>	<b>6.8</b>	<b>5.6</b>

Table 19 – Number of key management personnel

The number of key management personnel and other higher paid staff who received annual emoluments (excluding pension contributions but including benefits in kind) in the Group and the College were in the following ranges:

*Table of Salary bandings of key management personnel and other higher paid staff (Group and College)*

Group	Key Management Personnel		Other Staff	
	2025	2024	2025	2024
	Number.	Number.	Number.	Number.
£60,001 to £65,000 p.a.	-	-	3.5	4.0
£65,001 to £70,000 p.a.	-	-	4.8	1.0
£70,001 to £75,000 p.a.	-	-	1.0	2.1
£75,001 to £80,000 p.a.	-	-	1.8	2.3
£80,001 to £85,000 p.a.	-	-	2.0	-
£85,001 to £90,000 p.a.	-	2.0	-	-
£90,001 to £95,000 p.a.	2.8	1.0	-	-
£95,001 to £100,000 p.a.	1.0	-	-	-
£100,001 to £105,000 p.a.	-	1.0	-	-
£105,001 to £110,000 p.a.	-	-	-	-
£110,001 to £115,000 p.a.	1.0	0.6	-	-
£115,001 to £120,000 p.a.	-	-	-	-
£120,001 to £125,000 p.a.	1.0	-	-	-
£180,001 to £185,000 p.a.	-	1.0	-	-
£190,001 to £195,000 p.a.	1.0	-	-	-
<b>Total</b>	<b>6.8</b>	<b>5.6</b>	<b>13.1</b>	<b>9.4</b>

Table 20 – Salary bandings of key management personnel and other higher paid staff (Group)

The emoluments of key management personnel and other higher paid staff in the Group and College were:

*Emoluments of Higher Paid Key Personnel and Staff*

Group	Key Management Personnel		Other Staff	
	2025	2024	2025	2024
	£000'	£000'	£000'	£000'
Salaries	781	610	908	658
Performance related pay	11	9	-	-
Benefits in kind	-	-	-	-
<b>Total Remuneration</b>	<b>792</b>	<b>619</b>	<b>908</b>	<b>658</b>
Employer pension contributions	189	140	229	151
<b>Total</b>	<b>981</b>	<b>759</b>	<b>1,137</b>	<b>809</b>

Table 21 - Emoluments of Higher Paid Key Personnel and Staff (Group)

Compensation for loss of office for other higher paid staff amounted to £nil (2024: £19,000).

The employer's national insurance in relation to key management personnel for the year was £105,000 (2024: £78,000).

Key Management Personnel and Other Higher Paid Staff are eligible to participate in the College's salary sacrifice arrangements for childcare vouchers or the Cycle to Work Scheme. No such staff participated in either scheme in 2024/25 (2023/24: nil).

The above emoluments include amounts payable to the Highest Paid Officer and the Accounting Officer are:

Group and College	Highest Paid Officer	
	2025	2024
	£000'	£000'
Salaries	192	182
Benefits in kind	-	-
<b>Total Remuneration</b>	<b>192</b>	<b>182</b>
Employer pension contributions	40	41

Table 24b – Remuneration of the Highest Paid Officer

Group and College	Accounting Officer			
	Retiring Officer	Incoming Officer	Total	Total
	£000'	£000'	£000'	£000'
Salaries	179	10	189	182
Benefits in kind	-	-	-	-
<b>Total Remuneration</b>	<b>179</b>	<b>10</b>	<b>189</b>	<b>182</b>
Employer pension contributions	37	3	40	41

Table 24b – Remuneration of the Accounting Officer

The College appointed a new Chief Executive Officer during the year with the new appointment commencing 7 July 2025. The new Chief Executive Officer also became the new Accounting Officer from that date.

The retiring Chief Executive Officer remained as a full-time member of staff providing input in relation to international activity until 31 August 2025.

The remuneration packages of the Chief Executive Officer and of the Principal are subject to annual review by the Remuneration Committee of the Governing Body who use benchmarking information to provide objective guidance. The Remuneration Committee assesses the Corporation's performance against KPIs and the attainment of students in the year, as well as the progress against the college's long term strategic objectives, including the objective of achieving growth, when reviewing the remuneration package of the Chief Executive Officer and of the Principal. Qualitative measures of success, such as level of engagement of the staff and students are also considered. The level of pay is benchmarked against the pay of colleges of similar size in the prior financial year, taken from their financial statements, and the general trend within the sector is also considered.

*Relationship of Chief Executive Officer pay and remuneration expressed as a multiple*

	2025	2024
CEO basic salary as a multiple of the median of all staff	5.5	5.5
CEO's total remuneration as a multiple of the median of all staff	5.5	5.5

Table 25 – CEO remuneration

The members of the Corporation other than the Accounting Officer, the Principal, the staff members and the NUS Officer 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 total payments for Governors expenses amounted to £688 (2024: £745) and related to 4 (2024: 3) Governors.

## 8, Other Operating Expenses

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Teaching department costs	6,040	6,040	5,306	5,306
Non-teaching department costs	4,109	4,109	4,595	4,591
Premises costs	2,797	2,797	3,093	3,093
<b>Total</b>	<b>12,946</b>	<b>12,946</b>	<b>12,994</b>	<b>12,990</b>

Table 26 – Other Operating Expenses

Other operating expenses include:	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Auditors' remuneration:				
Financial statements audit	39	39	28	28
Internal audit	19	19	15	15
Other services provided by the financial statements auditor				
- Grant audits	8	8	5	5
- Taxation advice	-	-	-	-
- Compliance reviews	-	-	-	-
Other services provided by the internal auditors	-	-	-	-
Hire of assets – buildings	340	340	327	327
Hire of assets - equipment	65	65	55	55

Table 27 – Further Detail of Other Operating Expenses

## 9, Interest and Other Finance Costs

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
On bank loans, overdrafts and other loans:	15	15	33	33
Interest payable on early retirement	24	24	34	34
Pension finance costs (note 25)	-	-	-	-
<b>Total</b>	<b>39</b>	<b>39</b>	<b>67</b>	<b>67</b>

Table 28 – Interest and Other Finance Costs

## 10, Taxation

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
United Kingdom corporation tax charge/(credit)	-		-	
Provision for deferred corporation tax	-		-	
<b>Total</b>	-		-	

Table 29 – Taxation (Group)

## 11, Tangible Fixed Assets

### Tangible Fixed Assets (Group and College)

Financial Component	Land and Buildings		Equipment	Motor vehicles	Total
	Freehold	Long leasehold			
	£000'	£000'	£000'	£000'	£000'
<b>Cost or valuation</b>					
At 1 August 2024	63,612	500	18,704	443	83,259
Additions	7,372	-	2,416	249	10,037
Disposals	(266)	-	(325)	-	(591)
<b>At 31 July 2025</b>	<b>70,718</b>	<b>500</b>	<b>20,795</b>	<b>692</b>	<b>92,705</b>
<b>Depreciation</b>					
At 1 August 2024	24,647	250	14,044	396	39,337
Charge for the year	1,795	-	2,309	81	4,185
Elimination in respect of disposals	(83)	-	(325)	-	(408)
<b>At 31 July 2025</b>	<b>26,359</b>	<b>250</b>	<b>16,028</b>	<b>477</b>	<b>43,114</b>
<b>Net book value at 31 July 2025</b>	<b>44,359</b>	<b>250</b>	<b>4,767</b>	<b>215</b>	<b>49,591</b>
Net book value at 31 July 2024	38,965	250	4,660	47	43,922

Table 30a – Tangible Fixed Assets (Group and College)

Buildings inherited from the Local Education Authority at 1 April 1993 were valued at depreciated replacement cost by Chartered Surveyors from West Glamorgan County Council, Estates Section, Property Services Department. Other tangible fixed assets inherited from the Local Education Authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis. Should these assets be sold, the College would either have to surrender the sale proceeds to the Welsh Government or use them in accordance with the Financial Memorandum issued by the Welsh Government.

Freehold land was revalued at open market value at 1 August 2014 as part of the transitional arrangements under FRS102. The original cost of the land was £3,767,400 and the revalued amount was £9,515,000. Freehold land is not depreciated. Freehold land with a value of £1,020,000 is held as security by the College's lenders.

Included within land and buildings (College and Group) is an amount of £9,001,000 (2024: £2,233,000) relating to assets in the course of construction.

## 12, Intangible Assets

### Group and College Intangible Assets

Financial Component	Software and Licences £000'	Total £000'
<b>Cost or valuation</b>		
At 1 August 2024	471	471
Additions	-	-
Disposals	-	-
<b>At 31 July 2025</b>	<b>471</b>	<b>471</b>
<b>Depreciation</b>		
At 1 August 2024	393	393
Charge for the year	61	61
Elimination in respect of disposals	-	-
<b>At 31 July 2025</b>	<b>454</b>	<b>454</b>
<b>Net book value at 31 July 2025</b>	<b>17</b>	<b>17</b>
Net book value at 31 July 2024	78	78

Table 31a - Intangible Fixed Assets (Group)

## 13, Non-Current Investments

### Investments in Associates – Group and College

Financial Component	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
Investments in associates	70	208
<b>Total</b>	<b>70</b>	<b>208</b>

Table 33 – Investments in associates

The College holds 40% of the issued shares (£40) in Novus Gower Limited. The company was incorporated on 6 July 2022 in preparation for educational delivery in prisons through a Ministry of Justice contract. The contract was awarded in September 2022 and delivery commenced in December 2022.

### Investment Properties – Group and College

Financial Component	Year ended 31 July	
	2025	2025
	£000'	£000'
Investment Properties	175	175
<b>Total</b>	<b>175</b>	<b>175</b>

Table 34 – Investment Properties

The College values investment properties at open market value at the balance sheet date. The valuation is performed by an independent surveyor.

## 14, Debtors

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
£000' £000' £000' £000'				
Amounts falling due within one year:				
Trade receivables	705	705	1,849	1,849
Amounts owed by group undertakings:				
Subsidiary undertakings	-	-	-	-
Associate undertakings	23	23	23	23
Prepayments and accrued income	632	632	999	999
Amounts owed by Welsh Government / Medr	5,150	5,150	1,706	1,706
<b>Total</b>	<b>6,510</b>	<b>6,510</b>	<b>4,577</b>	<b>4,577</b>

Table 35 - Debtors

Amounts owed by Welsh Government / Medr relate primarily to Work Based Learning (WBL) payments and outstanding claims for capital grants.

## 15, Investments

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Short Term Deposits	-	-	3,000	3,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>

Table 36 – Investments

Short term deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

## 16, Creditors Falling Due Within One Year

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Bank loans and overdrafts	87	87	85	85
Other loans	8	8	13	13
Capital creditors	160	160	308	308
Trade payables	989	989	830	830
Other taxation and social security	820	820	697	697
Holiday pay accrual	1,151	1,151	1,097	1,097
Accruals and deferred income	4,495	4,495	3,002	3,002
Deferred income - government capital grants	1,872	1,872	2,408	2,408
Deferred income - government revenue grants	374	374	1,153	1,153
<b>Total</b>	<b>9,956</b>	<b>9,956</b>	<b>9,593</b>	<b>9,593</b>

Table 37 - Creditors Falling Due Within One Year

## 17, Creditors Falling Due After More Than One Year

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
Bank loans	137	137	223	223
Other loans	-	-	8	8
Deferred income - government capital grants	15,609	15,609	11,044	11,044
<b>Total</b>	<b>15,746</b>	<b>15,746</b>	<b>11,275</b>	<b>11,275</b>

Table 38 - Creditors Falling Due After More Than One Year

### Bank Loans and Overdrafts

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
In one year or less	87	87	85	85
Between one and two years	92	92	90	90
Between two and five years	45	45	133	133
In five years or more	-	-	-	-
<b>Total</b>	<b>224</b>	<b>224</b>	<b>308</b>	<b>308</b>

Table 39 - Bank Loans and Overdrafts

The bank loan with Lloyds Bank is secured and incurs interest at base rate plus 0.35% at 31 July 2025. The loan is repayable in monthly instalments and is due to be fully repaid by 2028.

## Other Loans

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
In one year or less	8	8	13	13
Between one and two years	-	-	8	8
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
<b>Total</b>	<b>8</b>	<b>8</b>	<b>21</b>	<b>21</b>

Table 40 - Bank Loans and Overdrafts

Other loans include an interest free Salix loan to fund energy efficient improvements which is backed by the Welsh Government. The initial loan of £86,150 is repayable in six-monthly instalments and will be fully repaid in 2025. Other loans also include an Invest to Save loan to fund the installation of new heating systems and controls which is backed by the Welsh Government. The initial loan of £60,615 is repayable in eight equal instalments and will be fully repaid in 2026.

## 18, Financial Instruments

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£000'	£000'	£000'	£000'
<b>Financial assets</b>				
Financial assets measured at amortised cost	20,351	20,351	20,414	20,414
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	25,702	25,702	20,868	20,868

Table 42 – Financial Instruments

Financial assets that are debt instruments measured at amortised cost comprise debtors (excluding prepayments) and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, loans, amounts due from connected parties and other creditors

## 19, Provisions

Financial Component	Enhanced pensions £000'	Other £000'	Total £000'
At 1 August 2024	666	538	1,204
Expenditure in the period	23	-	23
Interest in the year	1	21	22
Movement in the period	(76)	-	(76)
<b>Net book value at 31 July 2025</b>	<b>614</b>	<b>559</b>	<b>1,173</b>

Table 43 – Provisions

The enhanced pension provision relates to the cost of staff that have already left the College's employment and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

### Provision Assumptions

Assumptions	Year ended 31 July	
	2025	2024
	College	College
	%	%
Price inflation	2.7	2.8
Discount rate	5.5	4.8

Table 44 – Provision Assumptions

Other provisions relate to potential dilapidation charges in relation to leased premises and have been estimated by an independent chartered surveyor.

## 20, Reconciliation of Net Debt (Group)

Financial Component	At 1 August 2024 £000'	Cash flows £000'	Non-cash changes £000'	At 31 July 2025 £000'
Cash and cash equivalents	13,400	866	-	14,266
Cash deposits	3,000	(3,000)	-	-
<b>Total</b>	<b>16,400</b>	<b>(2,134)</b>	-	<b>14,266</b>
Bank loans due within one year	85	(84)	86	87
Other loans due within one year	13	(13)	8	8
Debt due within one year	98	(97)	94	95
Bank loans due after one year	223	-	(86)	137
Other loans due after one year	8	-	(8)	-
Debt due after more than one year	231	-	(94)	137
<b>Net cash</b>	<b>16,071</b>	<b>(2,037)</b>	-	<b>14,034</b>

Table 45 - Reconciliation of Net Debt (Group)

## 21, Capital and Other Commitments

Financial Component	Group and College	
	2025 £000'	2024 £000'
Commitments contracted for at 31 July	13,083	1,214
<b>Total</b>	<b>13,083</b>	<b>1,214</b>

Table 46 - Capital and Other Commitments

## 22, Leases

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

Financial Component	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
£000'				
<b>Land and buildings</b>				
Not later than one year	232	232	232	232
Later than one year and not later than five years	-	-	164	164
Later than five years	-	-	-	-
<b>Total</b>	<b>232</b>	<b>232</b>	<b>396</b>	<b>396</b>
<b>Other</b>				
Not later than one year	65	65	65	65
Later than one year and not later than five years	-	-	65	65
Later than five years	-	-	-	-
<b>Total</b>	<b>65</b>	<b>65</b>	<b>130</b>	<b>130</b>

Table 47 - Leases

Lease payments during the year amount to £340,000 (2024: £327,000) for land and building and £65,000 (2024: £55,000) for other leases.

## 23, Contingent Liabilities

The College has provided a guarantee to the Ministry of Justice in relation to the continuation of operations of Novus Gower Limited.

## 24, Events after the reporting period

There are no reportable events after the balance sheet date.

## 25, Defined Benefit Obligations

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

### Defined Benefit Obligations

Financial Component	Year ended 31 July		Year ended 31 July	
	2025		2024	
	College	£000'	College	£000'
Teachers' Pension Scheme: contributions paid		4,289		3,653
Local Government Pension Scheme:				
Contributions paid	3,450		3,130	
FRS 102 (28) (credit)/charge	(730)		(610)	
Charge to the Statement of Comprehensive Income		2,720		2,520
Enhanced pension charge to Statement of Comprehensive Income		1		27
<b>Total pension cost for year within staff costs</b>		<b>7,010</b>		<b>6,200</b>

Table 48 - Defined Benefit Obligations

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022. Contributions amounting to £851,000 (2024: £793,000) were payable to the schemes at 31 July and are included within creditors.

### Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the 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 to 28.68% from April 2024 (compared to 23.68% prior to this date).

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

The pension costs paid to TPS in the year amounted to £4,289,000 (2024: £3,653,000).

#### FRS 102 (28)

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.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the Local Authority of City and County of Swansea. The total contributions made for the year ended 31 July 2025 were £4,480,000 (2024: £4,070,000) of which employer's contributions totalled £3,450,000 (2024: £3,130,000) and employees' contributions totalled £1,030,000 (2024: £940,000).

The agreed contribution rates since 1 April 2023 are 21.0% (21.3% prior to April 2023) for employers and a range from 5.5% to 12.5% for employees, depending on salary.

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The impact of this judgement and also of the McCloud judgement has been taken into account when calculating the liability arising in the LGPS.

#### Principal Actuarial Assumptions

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

#### Actuarial Valuation Assumptions

Assumptions	Year ended 31 July		
	2025	2024	2023
	%	%	%
Rate of increase in salaries	4.0	4.1	4.1
Future pensions increases	2.5	2.6	2.6
Discount rate for scheme liabilities	5.8	5.0	5.0
Inflation assumption (CPI)	2.5	2.6	2.6
Commutation of pensions to lump sums	80	80	80

Table 49 - Actuarial Valuation Assumptions

## Other assumptions

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 3.8% and was higher than the CPI assumption set by employers as at 31 July 2025. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Consequently, no adjustment has been made to recognise the possible 2024 Pension Increase Order within the CPI assumption.

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

	Year ended 31 July	
	2025	2024
	College	College
	Years.	Years.
<i>Retiring today</i>		
Males	21.6	21.5
Females	24.2	24.1
<i>Retiring in 20 years</i>		
Males	21.9	21.8
Females	25.0	24.9

Table 50 – Mortality rates

Financial Component	Fair Value at 31 July	
	2025	2024
	College	College
	£000'	£000'
Equity instruments	66,430	63,960
Government bonds	700	4,580
Property	2,810	2,690
Cash	1,100	360
Corporate bonds	-	3,950
Other	29,300	14,170
<b>Total fair value of plan assets</b>	<b>100,340</b>	<b>89,710</b>
Actual return on plan assets	8,300	10,290

Table 51 – Asset allocation table

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

Financial Component	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
Fair value of plan assets	100,340	
Present value of plan liabilities	(62,800)	
<b>Funded status</b>	<b>37,540</b>	<b>20,980</b>
Unrecognised asset*	(37,540)	(20,980)
<b>Net pensions asset/(liability)</b>	<b>-</b>	<b>-</b>

Table 52 – Reconciliation of funded status to balance sheet

\*As at 31 July 2025, the actuarial reports were indicating a notional surplus on the College's share of the LGPS pension scheme of £37.54 million (2024: £20.98 million). Under FRS 102 (28.22) a plan surplus should only be recognised as a defined benefit plan asset to the extent that an entity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. At the same time, where an entity wishes to recognise an asset because management consider that the entity will be able to recover the surplus through reduced contributions in the future, FRS 102 refers to the IFRIC 14/IAS 19 for the principles of measurement. This sets out that the net defined asset is the surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of reductions in future contributions to the plan. This economic accounting benefit is normally taken for an ongoing scheme as the "Net present value of future service cost less present value of future employer contributions over the future lifetime of the employer (infinite)". For the College, whilst there was a notional plan surplus of £37.54 million (2024: £20.98 million), the asset ceiling determined as above was £nil (2024: £nil). Therefore, no asset has been recognised.

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
<b>Amounts included in staff costs</b>		
Current service cost	2,720	2,520
Past service cost	20	-
<b>Total</b>	<b>2,740</b>	<b>2,520</b>
<b>Amounts included in interest and other finance costs</b>		
Interest cost on defined asset/(liability) before asset restriction	(1,140)	(710)
Interest cost on unrecognised asset	1,050	630
<b>Net interest (credit) / charge</b>	<b>(90)</b>	<b>(80)</b>
<b>Amount recognised in Other Comprehensive Income</b>		
Return on pension plan assets	3,750	6,380
Experience gains/(losses) arising on defined benefit obligations	10,960	610
Interest cost on unrecognised asset	1,050	630
Adjustment in respect of unrecognised assets	(16,560)	(8,310)
<b>Total</b>	<b>(800)</b>	<b>(690)</b>

Table 53 – FRS102 Pension charges

	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
Net defined benefit (liability)/asset in scheme at 1 August	20,980	12,670
Movement in year:		
Current service cost	(2,720)	(2,520)
Employer contributions	3,450	3,130
Past service cost	(20)	-
Curtailment cost	-	-
Net interest on the defined (liability)/asset	1,140	710
Actuarial gain or loss	14,710	6,990
	37,540	20,980
Adjustment in respect of unrecognised assets	(37,540)	(20,980)
<b>Net defined benefit asset/(liability) at 31 July</b>	<b>-</b>	<b>-</b>

Table 54 – Movement in pension asset/liability

*Asset and Liability Reconciliation*

	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
<b>Defined benefit obligations at start of period</b>	<b>68,730</b>	<b>64,430</b>
Current service cost	2,720	2,520
Interest cost	3,410	3,200
Contributions by Scheme participants	1,030	940
Experience gains and losses on defined benefit obligations	(10,960)	(610)
Estimated benefits paid	(2,150)	(1,750)
Past Service cost	20	-
Curtailments and settlements	-	-
<b>Defined benefit obligations at end of period</b>	<b>62,800</b>	<b>68,730</b>

Table 55 – Movement in defined benefit obligations

*Changes in fair value of plan assets*

	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
<b>Fair value of plan assets at start of period</b>	<b>89,710</b>	<b>77,100</b>
Interest on plan assets	4,550	3,910
Return on plan assets	3,750	6,380
Employer contributions	3,450	3,130
Contributions by Scheme participants	1,030	940
Estimated benefits paid	(2,150)	(1,750)
<b>Fair value of plan assets at end of period</b>	<b>100,340</b>	<b>89,710</b>

Table 56 – Movement in the fair value of plan assets

## 26, Related Party Transactions

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

The total expenses paid to or on behalf of the Governors during the year was £688 and related to four governors (2024: £745; three governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and other events in their official capacity.

No Governor (other than the Chief Executive Officer, the Principal, the staff governors or the NUS Officer) has received any remuneration or waived payments from the College or its subsidiaries during the year (2024: None).

### Related Party Transactions

Related Party	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Income £000'	Expenditure £000'	Income £000'	Expenditure £000'
Swansea Council	4,614	116	4,290	90
Swansea University	115	212	188	91
Swansea Bay University Health Board	8	-	12	2
Penuel Baptist Chapel	-	-	-	4
Bevan Buckland LLP	-	2	-	-
Agored Cymru	-	121	-	75
Novus Gower Limited	268	-	233	-

Table 57 – Related Party Transactions

The College has two Governors who are Councillors representing Swansea Council. Income and expenditure in the year relates to the supply of educational services and provision of transport. The income includes grants from the Shared Prosperity Fund of £4,189,000 (2024: £3,880,000).

One Governor works at Swansea University and income and expenditure in the year relates to the supply of educational services and sports facilities.

One Governor has links with Penuel Baptists Chapel. Expenditure relates to the purchase of a plot of land.

One Governor works at Swansea Bay University Health Board. Income and expenditure in the year relates to the supply of educational services.

One Governor is the Managing Partner of Bevan Buckland LLP. The expenditure relates to the preparation of a financial due diligence report.

One Governor is the Chief Executive Officer of Agored Cymru, an awarding body. Expenditure relates to registration and certification fees.

Novus Gower Limited is an associate in which the College has a 40% shareholding. The College provided management services to the company during the year.

Financial Component	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
Balance as at 1 August	-	-
Income through donations	4	4
<b>Total</b>	<b>4</b>	<b>4</b>
Disbursed to recipients	(3)	(4)
<b>Balance unspent as at 31 July</b>	<b>1</b>	<b>-</b>

The Kenya Community Education Project (KCEP) is a charity supported by staff and students to support the advancement of education and the relief of poverty of children living in the Sigomre area of western Kenya by the provision of support and funds to Madungu primary school in Kenya. The College's Chief Executive Officer held the position of Chair Person to the charity's board and is implied to hold significant control in the management and direction of the charity.

## 27, Amounts disbursed as agent

The College disburses a number of funds on behalf of Medr. Funding body grants are available solely for students. The funds are:

### *Financial Contingency Funds (FCF)*

Financial Component	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
FCF grants – unspent amounts from prior year	-	21
FCF grants – discretionary learner support	682	673
<b>Total</b>	<b>682</b>	<b>694</b>
Disbursed to students	(662)	(673)
Administration costs	(20)	(21)
<b>Balance unspent as at 31 July</b>	<b>-</b>	<b>-</b>

Table 58 - Financial Contingency Funds (FCF)

The discretionary learner support grant relates to the Financial Contingency Fund where the College only acts as a paying agent on behalf of Medr. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

*Work Based Learning Employer Incentive Scheme*

Financial Component	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
Balance as at 1 August	(9)	(36)
EIS grants	21	54
<b>Total</b>	<b>12</b>	<b>18</b>
Disbursed to participants	(22)	(26)
Administration costs	-	(1)
<b>Balance as at 31 July</b>	<b>(10)</b>	<b>(9)</b>

Table 59 - Work Based Learning Employer Incentive Scheme

The Employer Incentive Scheme is a scheme where the College only acts as a paying agent on behalf of Medr. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

*Kickstart Scheme*

Financial Component	Year ended 31 July	
	2025	2024
	College	College
	£000'	£000'
Balance as at 1 August	7	7
Kickstart grant	-	-
<b>Total</b>	<b>7</b>	<b>7</b>
Disbursed to participants	-	-
Administration costs	-	-
<b>Balance as at 31 July</b>	<b>7</b>	<b>7</b>

Table 60 - Kickstart Scheme

The Kickstart scheme is a scheme where the College only acts as a paying agent on behalf of The Department of Work and Pensions. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.





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