

CHELMSFORD COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

CHELMSFORD COLLEGE

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CHELMSFORD COLLEGE

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2025**

Board of Governors	A Montague (Resigned 29 June 2025) S Salmon (Chair) (appointed 29 June 2025) T Bolton (Vice Chair) S Atkinson J Church R Cornwall R Davidson (Vice Chair) D Holmes D Zeeman C Norman J Patten D Peace (Appointed 11 October 2024) P Reilly M Dearsley (Appointed 6 December 2024) R Rehal (Appointed 6 December 2024) H Russell (Appointed 6 December 2024) N Themis (Appointed 6 February 2025) D Warnes (Accounting Officer) J Selvage (Resigned 7 January 2025) D Holland (Student) (Appointed 11 October 2024) A Russell (Student)
Director of Governance	R Hamilton-Burns
Senior Management Team	D Warnes - Principal and Chief Executive D Garroway - Deputy Principal Curriculum & Quality D Hurst - Chief Operating Officer
Principal and Registered Office	102 Moulsham Street, Chelmsford CM2 0JQ
Professional Advisors	
External Auditors	MHA Audit Services LLP London EC2Y 5AU
Internal Auditors	Scrutton Bland Ipswich IP1 3LG
Bankers	Lloyds Bank Plc Chelmsford CM1 1DU
Solicitors	Ellisons Chelmsford CM2 0RG

CHELMSFORD COLLEGE

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

OBJECTIVES AND STRATEGY

The Governing Body presents their annual report together with the financial statements and auditor's report for Chelmsford College for the year ended 31 July 2025.

Legal status

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

Mission, Vision, Strategy and Objectives

Chelmsford College is a successful further education College in the heart of Essex, established over 60 years ago, providing vocational and technical skills training to young people and adults across the county and beyond. The Annual Report and Financial Statements should be read in conjunction with our Annual Impact and Influence Report which can be found at [Chelmsford College | Policies and Values](#) for more detailed information on our achievements. The College is the main provider of courses for profound and Special Educational Needs and Disabilities (SEND) students in the County. We have an Institute of Technology, specialising in higher technical skills in engineering and construction; and a Centre for the Built Environment and Sustainable Technologies, with a focus on construction trades, retrofit and renewable energy training.

Our Vision is to unlock potential and transform lives through inspirational education and training. Our Mission is to be a College that is at the heart of the community with the power and ambition to transform lives through inspirational education and training, making a significant contribution to the social and economic success in the region and beyond.

Our Values

P	Promoting fairness and equity in all our undertakings, challenging ourselves to push boundaries, be brave and take decisions that transform lives.
R	Respectful and supportive for every individual, listening to each other and taking pride in our professionalism, honesty and integrity.
A	Ambitious for all the College community to be the best we can be, challenging ourselves to be outstanding and supporting each other to realise our aspirations.
I	Innovative in how we work and develop, valuing new ideas and innovative ways of working to deliver knowledge and skills. Empowering ourselves to be agile and future-focused.
S	Standout in the communities we serve through innovation and creating social value, recognising and celebrating success in all the work we do.
E	Excellence in teaching and learning delivering programmes that challenge our students to achieve their ambitions and driving expertise and passion among our academic staff.

CHELMSFORD COLLEGE

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JULY 2025

Resources

The College employed 288 Full Time Equivalent staff (2023-2024: 268) of whom, 118 are teaching staff, (2023-2024: 112) and 170 other staff (2023-2024: 157).

Dovedale Nursery a wholly owned subsidiary and community interest company employs 38 staff in addition to the above (2023-2024: 38)

Learner Numbers

In 2024-2025 the College received income of £15.7m in Education and Skills Agency Funding for 16-18 and adult education (2023-2024: £14.5m).

The College enrolled 2,488 16-18 students against a target of 2,381

The table below shows a breakdown of student numbers.

Funded Students	2024/25	2023/24
16-18 students	2488	2384
Adult Students	1300	1800
Apprentices	521	431
Sub-Total funded students	4309	4615
Non Funded	283	257
Skills boot camps	14	-
Total	4606	4872

The College has £22.06 million (2024: £22.3 million) of net assets and long-term debt of £0.997 million (2024: £0.683 million).

Tangible resources include wholly owned campuses at Moulsham Street and Princes Road in the heart of Chelmsford City. Our campuses are located on two sites in the City of Chelmsford and at the Billericay Town Football Club the Billericay Football Club. We have invested over £5m over the last few years in our campus and facilities at both Moulsham Street and Princes Road. The Moulsham Street Campus includes Dovedale Sport Centre – a shared use facility with Chelmsford City Council and Dovedale Nursery Community Interest Company which is run by the College and employs several early years apprentices.

The College has a good reputation locally and nationally, at the Ofsted inspection in May 2024 we were graded Good.

CHELMSFORD COLLEGE

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JULY 2025

Stakeholders

The College has many stakeholders including:

- its current, future and past students;
- its staff and their trade unions including the University and College Union;
- the employers it works with across all departments;
- Our Stakeholder Scrutiny Committee chaired by Simon Warnes from Sharp with over 35 stakeholders including Anglia Ruskin University, Essex Chamber of Commerce, Essex County Council, Chelmsford City Council; and
- Department of Work and Pensions, Association of Colleges', Federation of Essex College's Success Essex and Essex Provider Network.

We held 6 stakeholder knowledge events, involving of 97 stakeholders and our curriculum is aligned to 8/10 of the Local Skills Improvement Plan priority sectors.

Public benefit

Chelmsford College is an exempt Charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Governing Body, who are Trustees of the Charity, are disclosed in the reference and admin page.

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 identifiable public benefits through the advancement of education:

- high-quality teaching;
- widening participation and tackling social exclusion;
- excellent employment record for students;
- developing wider skills to equip learners to be successful in life and work; high quality, impartial careers education, information, advice and guidance for all potential and current students; and
- Links with employers, industry and commerce.

The College is committed to providing information, advice and guidance to the learners it enrolls and to finding suitable courses for as many learners as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial Review

The Group returned a surplus of £0.417m in 2024/25 compared to a surplus of £0.585m in 2023/24. The actuarial gain on the Local Government Pension Fund (LGPS) is £2.756m (2023-24: £1.016m). This is offset by an asset ceiling adjustment of £2.82m (2023-2024: £1.598m) resulting in a LGPS loss recognised in other comprehensive income of £64k (2023-2024: £582k)

The College made a surplus of £0.231m in 2024-25. The College received 74% of its total income for 2024-5 as grants from funding bodies, with 64% coming from the DfE for 16-18 provision.

CHELMSFORD COLLEGE

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JULY 2025

The College has one subsidiary company Dovedale Nursery CIC. Dovedale Nursery is a community interest company offering nursery and out of school provision. The subsidiary made a surplus of £89k (2024: loss of £86k).

During 2024/25 we were successful in receiving a grant from Innovate UK for our 'Steps to Employment' project which has continued into 2025/26.

The College review of college buildings and assets by the DFE will provide guidance on future capital investment. The refurbishment of Dovedale Sports Centre, a joint use facility with Chelmsford City Council commenced in June 2025, to be complete by February 2026. We are grateful to Chelmsford City Council for investing in this facility. These improvements will provide greater access to the wider community by increasing opening times during the day as well as another studio and modern changing facilities for our learners. As this will be operating for part of the time with members of the public strict safeguarding controls will be in place for our students.

At the Balance Sheet date, the College held net current liabilities of £0.499m (2023-2024 net current liabilities of £2.423m) and net assets of £22.06m (2023-2024 £21.707m).

At £2.469m (2024: £1.87m), net cash flow from operating activities was reasonably strong.

The Group continued to make repayments on its loans with a fixed rate of interest on the Lloyds loan. The Department for Education has provided a Public Works Loan to be repaid over 6.7 years. We will continue to grow our cash balances to achieve financial resilience as directed by the Further Education Commissioners' team.

The College has accumulated reserves of £7.855m (2024: £7.468m) and cash and short-term investment balances of £2.179m (2024: £1.791m). The Group wishes to continue to accumulate reserves and cash balances in order to create a contingency fund to meet future capital requirements.

FUTURE PROSPECTS

Future developments

Although there are plenty of financial challenges facing all colleges including higher staff turnover, qualification reform and higher than expected inflation, Chelmsford College is committed to achieving small surpluses to enable financial resilience in the future. We are developing our apprenticeships, adult and online learning provision, continually reviewing operational efficiency and opportunities to increase income or reduce costs.

Financial Plan

College Governors approved a financial plan in July 2025 which sets the following objectives for the period to July 2027.

- Achieve surplus > £350k
- Retain Good Financial Health – Points >200
- Improve EBITDA % to > 7%
- Improve Current ratio to > 1
- Increase cash resilience by £300k to £1.8m

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities.

CHELMSFORD COLLEGE

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JULY 2025

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of an organisation and ensures that there are adequate reserves to support the College's core activities. The Group's reserves include £1.026m (2024: £0.53m) held as restricted cash for condition asset improvements. As at the balance sheet date the Income and Expenditure reserve stands at £8.099m (2024: £7.616m). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

The main risk factors affecting the College are outlined below along with the action taken to minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Strategic Area	Risk	Mitigation
Our performance	Failure to improve apprenticeship outcomes as benchmarked by the Apprenticeship Accountability Framework could lead to the removal of provision.	Investment in apprenticeship oversight and constant monitoring.
Our Prosperity	Control of agency costs leads to overspend in salary costs reducing surplus and cash balances.	Review recruitment policies and salary strategies to retain staff members and negotiate robustly with agencies.
Our Place	Ineffective cyber security controls can pose significant risks due to the sensitive information held.	Cyber essentials certification, constant business resilience review. Managed 3 rd line IT support and other protocols in place.
Our Partnerships	Engagement with HR partners does not lead to increased HE students	Review opportunities in place with HE partners and increase HTQ offers.

CHELMSFORD COLLEGE**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2025****KEY PERFORMANCE INDICATORS**

The financial health indicator for the year ending 31 July 2025 has been confirmed as 'Good'. We have made improvement on other measures compared to 2023/24 except for the staff cost ratio. This measure is set by the Further Education Commissioner and currently only 30% of colleges achieve this target.

Key performance indicator	Strategic Plan Measure/Target	Actual for 2024/25
Financial Health is Good	210+	190 (Good)
Education Specific Earnings Before Tax Depreciation & Amortisation	EBITDA >=10%	7.17%
Adjusted Current Ratio	Is >0.9	0.78
Cash days in hand	Is >40 days	27
Staff costs	Staff Costs <=65%	69.26%

Student achievements

Chelmsford College was inspected by Ofsted in March 2024 with an overall assessment of 'Good'. We continue to review our progress in line with the inspection framework and for the Academic year ending 31 July 2025 as Good.

Overall effectiveness	Good
Four Key Judgements	
Leadership and Governance	Good
Inclusion	Good
Safeguarding	Met
Contribution to meeting skills needs	Good
Provision Types	
Education programmes for young people	Good
Adult learning programmes	Good
Apprenticeships	Requires Improvement
Provision for learners with high needs	Good

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting year 1 August 2024 to 31 July 2025, the College paid 32.8% per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this year.

CHELMSFORD COLLEGE**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2025****Streamlined Energy and Carbon Reporting**

The College is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

The College's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2025 UK Government's Conversion Factors for Company Reporting are as follows:

UK Greenhouse gas emissions and energy use data for the period 1 August 2024 to 31 July 2025	Current reporting year 2024/25	Previous reporting year 2023/24
Energy consumption used to calculate emissions (kWh)	1,804,168	1,900,415
Energy consumption break down (kWh):		
• gas	753,406	861,887
• electricity	1,022,914	1,002,211
• transport fuel	27,848	36,317
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	137.84	157.32
Owned transport – mini-buses	7.18	9.10
Total Scope 1	145.02	166.42
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	181.06	207.51
Total gross emissions in metric tonnes CO2e	326.08	373.93
Intensity ratio		
Tonnes CO2e per Pupil 2024-25 (2,488)	0.13	0.16
Tonnes CO2e per Staff Member 2024-25 (361)	0.90	1.07

The principal measures that have been taken to improve energy efficient are:

- Lighting upgrades - continued programme for general lighting to be replaced with LED (on-going programme, with a target to have all lighting LED and auto controls in the coming years). C. 70% of circulation area lighting is now LED.
- Utility reduction - the production kitchen has been removed and changed into a classroom, reducing energy usage.
- The sustainability committee was formed in the 2023, headed by the Principal, appointed an Estates & Sustainability Manager in 2024, and continues to meet regularly.
- Chelmsford College is committed to reducing its impact on the environment. The function of BMS and general controls are investigated, monitored and adjusted where possible to reduced energy use generally. As new equipment is required, old equipment will be replaced with energy efficient alternatives where possible.

CHELMSFORD COLLEGE

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JULY 2025

Trade union facility time

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

Numbers of employees who were relevant period		FTE employee number
120		3.4
Percentage of time	Number of employees	
0%		
1-50%	4	
51-99%		
100%		
Total cost of facility time		£9,599
Total pay bill		£14,186,000
Percentage of total bill spent on facility time		0.07%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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EQUALITY AND DIVERSITY

Equality

Chelmsford College is committed to building an environment of belonging by:

- Ensuring equity and inclusion are reflected in our curriculum;
- Putting diversity and inclusion at the heart of our employment policies and practices;
- Listening to the communities we serve; and
- Obliging those with whom we contract to support our commitments.

As such we have committed to the Association of College's (AOC) EDI Charter. This information can be found on our website [Chelmsford College | British Values](#)

Gender pay gap reporting

The College publishes its annual gender pay gap report on its website and the report for the year ending 31 March 2024 can be found [Chelmsford College | Policies and Values](#).

Equality, Diversity and Inclusion

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

Chelmsford College is committed to building an environment of belonging by:

- ensuring equity and inclusion are reflected in our curriculum;
- putting diversity and inclusion at the heart of our employment policies and practices;
- listening to the communities we serve; and
- obliging those with whom we contract to support our commitments.

CHELMSFORD COLLEGE

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JULY 2025

As such we have committed to the Association of College's (AOC) EDI Charter. This information can be found on our website (AoCs equity, diversity, and inclusion charter).

GOING CONCERN

Chelmsford College has achieved 'Good Financial Health', the first time since July 2013. We continue our journey to financial resilience by achieving small surpluses, improving cash reserves and repaying debt. There has been an improvement in net current liabilities from £2.4m in 2023/24 to £0.6m in 2024/25. The cash flow forecast to December 2026 shows further improvement on cash reserves which mitigates the net current liability.

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.

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 and signed on its behalf by:

Sheila Salmon

.....

Sheila Salmon

Chair

Date: December 9, 2025

CHELMSFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2025

Chelmsford College

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the Chelmsford 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.

GOVERNANCE CODE

The College endeavours to conduct its business:

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

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code reported to the Board in December 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2023, which it formally adopted on 5 December 2023.

THE CORPORATION

Members of the Corporation

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

Name	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2024/25
Professor Sheila Salmon	6 December 2024	1 year		Independent governor	PSR Q&L SGR	100%
David Warnes	23 September 2022			CEO	PSR Q&L	100%
Sarah Atkinson	11 October 2024	1 year		Independent governor	Q&L Audit to June 2025	91%

CHELMSFORD COLLEGE**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)
FOR THE YEAR ENDED 31 JULY 2025**

Name	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 2024/5
Trevor Bolton	27 March 2020	2 years		Independent governor	PSR to Sept 2025 Audit from Sept 2025 SGR	91%
Jan Church	1 December 2021			Staff governor	PSR	63%
Rachael Cornwall	22 September 2023	1 year		Independent governor	PSR SGR	73%
Richard Davidson	24 September 2021	2 years		Independent Governor	PSR	50%
Matt Dearsley	6 December 2024	1 year		Independent Governor	PSR SGR from Sept 2025	100%
Daniel Holland	11 October 2024	1 year	31 July 2025	Student Governor	PSR	100%
David Holmes	20 March 2024	1 year		Independent Governor	Audit PSR	91%
Amanda Montague	May 2016	2.5 years	29 June 2025	Independent governor	PSR Q&L SGR	100%
Christian Norman	July 2018	2 years		Independent governor	Q&L SGR	82%
Jaya Patten	July 2019	2 years		Independent governor	Audit	88%
David Peace	11 October 2024	1 year		Independent governor	Audit	86%

CHELMSFORD COLLEGE**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)
FOR THE YEAR ENDED 31 JULY 2025**

Alan Pitcher	July 2022	1 year	11 October 2024	Independent governor	Audit	0%
Rak Rehal	6 December 2024	1 year		Independent governor	Audit	100%
Paddy Reilly	August 2021	2 years		Independent governor	Q&L PSR	100%
Annabella Russell	11 October 2021	1 year	31 July 2025	Student Governor	Q&L	100%
Helen Russell	6 December	1 year		Independent governor	Q&L	100%
Jon Selvage	February 2023	1 year	7 January 2025	Staff governor	Q&L	33%
Nadia Themis	February 2025	1 year		Staff governor	Q&L	100%

Amanda Montague was the Chair throughout 2024/25. Her office expired on 29 June 2025.

Professor Sheila Salmon became Chair on 29 June 2025

Ra Hamilton-Burns served as Director of Governance from 1 September 2024 to 31 July 2025

The governance framework

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets 5 times a year.

The Corporation conducts its business through several committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Quality and Learners', Policy, Sustainability and Resources; Audit and Risk and Search, Governance and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the [College's website](#) or from the Director of Governance at the College's registered address.

The Director of Governance to the Corporation maintains a register of financial and personal interests of governors. The register is available for inspection at the above address.

CHELMSFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued) FOR THE YEAR ENDED 31 JULY 2025

All governors can take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance 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 Director of Governance are matters for the Corporation as a whole.

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

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

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate. The Board has formally written to the Chief Accounting Officer to confirm their appointment, and the post holder has accepted in writing.

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search Governance and Remuneration Committee, consisting of six members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation also provides appropriate training in the form of development days, twilight trainings and individual training as required.

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

Corporation performance

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2025 and graded itself as "Good" on the Ofsted scale. The external Board review took place in 2023-4.

The governing body is committed to development and holds two full day sessions for governors for development and review of strategy. Four new governors attended Association of College induction sessions. Three governors attended the Andrew Tyley finance masterclass sessions. The new chair attended the Education and Training Foundation chair's leadership programme. The Director of Governance arranged a programme of twilight training sessions and signposted both ETF and AoC training opportunities.

The Director of Governance attended all AoC Governance, Governance Professionals events and the annual conference during the year 2024-25. She also completed the IOD Strategic leadership programme for Governance Professionals Level 6.

Audit Committee

The Audit and Risk Committee comprise five members of the Corporation (excluding the Accounting Officer and Chair) and a co-optee. The Committee operates in accordance with written terms of reference approved by the Corporation.

CHELMSFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued) FOR THE YEAR ENDED 31 JULY 2025

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

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

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

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

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

Committee member	Meetings attended
Mr David Holmes	3
Mr Rak Rehal (from 6 Dec 2024)	3
Mr Jaya Patten	3
Mrs Sarah Atkinson (to July 2025)	3
Mr David Peace	3

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 CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreement between Chelmsford College and the funding bodies. They are also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an 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 Chelmsford College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

CHELMSFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued) FOR THE YEAR ENDED 31 JULY 2025

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; and
- the adoption of formal project management disciplines, where appropriate.

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

Risks faced by the Corporation

The College has a robust risk management process in place. Risks are reviewed at weekly Senior Management meetings and reported to the Board, Audit and risk committee and Quality & learners' Committees for risk specific to teaching and learning. The key risks facing the College are identified on page 5.

Control weaknesses identified

The internal audit reports undertaken gave significant assurance to the Corporation and no high level recommendations have been made by internal audit.

Responsibilities under accountability agreements

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

Statement from the audit committee

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

CHELMSFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued) FOR THE YEAR ENDED 31 JULY 2025

The specific areas of work undertaken by the Audit and Risk Committee in 2024/25 and up to the date of the approval of the financial statements are:

Internal audits of the following:

- Risk management
- Health and Safety
- Environmental and social governance responsibilities
- Follow up of past recommendations
- Adult recruitment and business development

The Audit and Risk Committee also looked at the

- Annual data protection report for the College
- Board risk appetite
- Risk registers, articulation and scoring
- ARC committee own self-assessment
- Performance and appointment of internal and external auditors
- Ongoing oversight of the College's going concern position

Review of effectiveness

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

- the work of the internal auditors;
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework;
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their external auditor's auditor findings report (management letter) and other reports; and
- The regularity self-assessment questionnaire.

The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit and Risk 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 and Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its *November 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.

CHELMSFORD COLLEGE

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)
FOR THE YEAR ENDED 31 JULY 2025**

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

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

Sheila Salmon

Sheila Salmon

Chair

Date: December 9, 2025

David Warnes

David Warnes

Accounting Officer

Date: December 9, 2025

CHELMSFORD COLLEGE

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 JULY 2025**

Chelmsford College

Statement of Regularity, Propriety and Compliance

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

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

David Warnes

.....
David Warnes
Accounting Officer

Date December 9, 2025

CHELMSFORD COLLEGE

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2025

Chelmsford College

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011 (as amended), and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities. The Corporation is responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

CHELMSFORD COLLEGE

**STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION (continued)
FOR THE YEAR ENDED 31 JULY 2025**

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

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

Sheila Salmon

.....
Sheila Salmon

Chair

Date: December 9, 2025

CHELMSFORD COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELMSFORD COLLEGE

Opinion

We have audited the financial statements of the Corporation of Chelmsford College (the 'College') and its subsidiary (the 'Group') for the ended 31 July 2025 which comprise the Consolidated and College Statement of Comprehensive Income and Expenditure, the Consolidated and College Statement of Changes in Reserves, the Group and College Balance Sheet, the Consolidated Statement of Cash Flows, and the notes, including material accounting policies. The financial reporting framework that has been applied in their preparation is and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2025 the Group's and College's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Group and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Annual Report other than the financial statements and our Auditor's Report thereon. The Governing Body is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHELMSFORD COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELMSFORD COLLEGE (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the Governing Body of Chelmsford College

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

Auditor 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 these financial statements.

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

- obtaining and understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- enquiring of management and Governors around known or suspected instances of non-compliance of laws and regulations and fraud;
- discussions amongst the engagement team regarding how and where fraud might occur in the Group financial statements and any potential indications of fraud;
- reviewing minutes of meetings of those charged with governance; and
- performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

CHELMSFORD COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELMSFORD COLLEGE (CONTINUED)

Use of our report

This report is made solely to the Members of the Corporation, as a body, in accordance with Funding Agreement published by the Department for Education and our engagement letter. Our audit work has been undertaken so that we might state to the Members of the Corporation those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 09/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

CHELMSFORD COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY FOR THE YEAR ENDED 31 JULY 2025

To: The corporation of Chelmsford College Group and Secretary of State for Education

In accordance with the terms of our engagement letter dated 21 August 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Chelmsford College Group during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the Accounting Officer of Chelmsford College Group and the reporting accountant

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

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

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

CHELMSFORD COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY FOR THE YEAR ENDED 31 JULY 2025

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure. The work undertaken to draw to our conclusion includes:

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

Conclusion

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



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 09/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

CHELMSFORD COLLEGE**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2025**

	Note	Year ended 31 July 2025		Year ended 31 July 2024	
		Group £000	College £000	Group £000	College £000
Income from:					
Funding body grants	4	16,859	16,838	15,456	15,435
Tuition fees and educational contracts	5	3,234	3,234	3,055	3,055
Investment income	6	498	498	406	406
Other income	7	2,306	1,284	1,986	1,091
Total income		22,897	21,854	20,903	19,987
Expenditure on:					
Staff costs	8	15,414	14,692	13,020	12,376
Other operating expenses	9	5,373	5,280	5,924	5,817
Depreciation	12	1,594	1,552	1,249	1,206
Interest and other finance costs	10	99	99	125	125
Total expenditure		22,480	21,623	20,318	19,524
Surplus for the year		417	231	585	463
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	23	(64)	(64)	(582)	(582)
Gift aid transfers between Nursery and College		-	90	-	210
Total comprehensive income for the year		353	257	3	91
Represented by:					
Total funds brought forward		21,707	21,559	21,704	21,468
Net movement in funds		353	257	3	91
Total funds carried forward		22,060	21,816	21,707	21,559

All items of income and expenditure relate to continuing activities.

The notes on pages 31 to 59 form part of these financial statements

CHELMSFORD COLLEGE**CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2025**

	Income and Expenditure account	Revaluation reserve	Total
Group	£'000	£'000	£'000
Balance at 1 August 2023	7,483	14,221	21,704
Comprehensive income for the year			
Surplus from the income and expenditure account	585	-	585
Other comprehensive income for the year			
Actuarial losses in respect of pension schemes	(582)	-	(582)
Transfers between revaluation and income expenditure reserves	130	(130)	-
Balance at 31 July 2024	7,616	14,091	21,707
Balance at 1 August 2024	7,616	14,091	21,707
Comprehensive income for the year			
Surplus from the income and expenditure account	417	-	417
Other comprehensive income for the year			
Actuarial losses in respect of pension schemes	(64)	-	(64)
Transfers between revaluation and income expenditure reserves	130	(130)	-
Balance at 31 July 2025	8,099	13,961	22,060
College			
Balance at 1 August 2023	7,247	14,221	21,468
Comprehensive income for the year			
Surplus from the income and expenditure account	463	-	463
Other comprehensive income for the year			
Actuarial losses in respect of pension schemes	(582)	-	(582)
Gift aid transfers between Nursery and College	210	-	210
Transfers between revaluation and income expenditure reserves	130	(130)	-
Balance at 31 July 2024	7,468	14,091	21,559
Balance at 1 August 2024	7,468	14,091	21,559
Comprehensive income for the year			
Surplus from the income and expenditure account	231	-	231
Other comprehensive income for the year			
Actuarial losses in respect of pension schemes	(64)	-	(64)
Gift aid transfers between Nursery and College	90	-	90
Transfers between revaluation and income expenditure reserves	130	(130)	-
Balance at 31 July 2025	7,855	13,961	21,816

The accompanying notes form part of the financial statements.

CHELMSFORD COLLEGE**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2025**

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Non current assets					
Tangible assets	12		31,621		32,033
			31,621		32,033
Current assets					
Trade and other receivables	14	737		665	
Cash and cash equivalents	19	2,469		1,870	
		3,206		2,535	
Current liabilities					
Creditors: Amounts falling due within one year	15	(3,726)		(4,958)	
		(520)		(2,423)	
Net current liabilities					
Total assets less current liabilities			31,101		29,610
Creditors: Amounts falling due after more than one year	16		(9,041)		(7,903)
		22,060		21,707	
Total net assets					
Unrestricted reserves					
Income and expenditure account		8,099		7,616	
Revaluation reserve		13,961		14,091	
		22,060		21,707	
Total reserves					
		22,060		21,707	

The financial statements were approved and authorised for issue by the Corporation were signed on its behalf by:

.....
Sheila Salmon
 Chair

.....
David Warnes
 Accounting Officer

Date: December 9, 2025

The notes on pages 31 to 59 form part of these financial statements.

CHELMSFORD COLLEGE**COLLEGE BALANCE SHEET
AS AT 31 JULY 2025**

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Non current assets					
Tangible assets	12		31,346		31,726
Investments	13		-		-
			31,346		31,726
Current assets					
Trade and other receivables	14	902		741	
Cash and cash equivalent		2,179		1,791	
		3,081		2,532	
Current liabilities					
Creditors: Amounts falling due within one year	15	(3,651)		(4,903)	
		(570)		(2,371)	
Total assets less current liabilities			30,776		29,355
Creditors: Amounts falling due after more than one year	16		(8,960)		(7,796)
		21,816		21,559	
Total net assets					
Unrestricted reserves					
Income and expenditure account		7,855		7,468	
Revaluation reserve		13,961		14,091	
		21,816		21,559	
Total unrestricted reserves					
Total reserves			21,816		21,559

The Corporation's net movement in funds for the year was £257k (2024 - £91k).

The financial statements were approved and authorised for issue by the Corporation and were signed on its behalf by:

.....
Sheila Salmon
 Chair
 Date: December 9, 2025

.....
David Warnes
 Accounting Officer

The notes on pages 31 to 59 form part of these financial statements.

CHELMSFORD COLLEGE**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025**

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash used in operating activities	18	2,395	2,620
Cash flows from investing activities			
Investment income	6	6	12
Payments made to acquire tangible fixed assets	12	(1,182)	(2,612)
Net cash used in investing activities		(1,176)	(2,600)
Cash flows from financing activities			
Interest paid	10	(99)	(125)
Repayment of amounts borrowed	15,16	(521)	(506)
Net cash used in financing activities		(620)	(631)
Increase/(decrease) in cash and cash equivalents in the year		599	(611)
Cash and cash equivalents at the beginning of the year	19	1,870	2,481
Cash and cash equivalents at the end of the year	19	2,469	1,870

The notes on pages 31 to 59 form part of these financial statements

CHELMSFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024-25 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102).

The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

The financial statements are presented in sterling which is the functional currency of the College and rounded to the nearest thousand pound.

2.2 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.

2.3 Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Dovedale Nursery CIC, controlled by the College. Control is achieved where the College has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2025.

In accordance with FRS 102, the activities of the student union have not been consolidated because the college does not control those activities.

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.4 Going concern

The Audit Committee & Policy & Resources Committee are required to review the assessment of the College's ability to continue as a going concern and will determine that there are adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of the financial statements.

The going concern assessment has been made in accordance with the requirements of the Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) and considers both the current financial position and the projected performance of the College.

The assessment of going concern has considered the following information.

- Financial forecasts (CFFR) for the period to 31 July 2027 have been completed and were reviewed by the Board at its meeting in July 2025.
- Cash flow projection covering the period to 31 December 2026.
- Confirmed and anticipated funding allocations from the Department for Education and other key income streams have been received and 2026/27 is projected on the same basis at 2025/26 for prudence.
- Cost control measures will be implemented if the cash position falls below minimum balances which are determined by bank covenants.
- Covenant compliance is reviewed regularly, and the College will be able to meet its financial obligations as they fall due.

The College Financial Forecasting Return has been assessed by Department for Education and in accordance with this approach, the appropriate assessment grade, based on your CFFR, is:

- Good for 2024/25 (the latest outturn forecast year), and
- Good for 2025/26 (the current budget year).

The Senior Leadership Team acknowledges the continued challenges facing the further education sector, including funding constraints, recruitment pressures, and inflationary cost increases. However, based on the evidence available and the mitigating actions in place we confirm the College remains a going concern.

CHELMSFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.5 Income

Revenue grant funding

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

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

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

Capital grant funding

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

Fee income

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

Investment income

All income from short-term deposits is credited to the Consolidated Statement of Comprehensive Income and Expenditure in the period in which it is earned on a receivable basis.

2.6 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.

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.7 Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 Chapter 3 Part 11 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 company is subject to corporation tax and VAT in the same way as any commercial organisation.

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

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

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

Land and buildings

Land at Moulsham Street and Princes Road was revalued as at 31 July 2014. This was a one -off revaluation under FRS102 conversion rules.

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

Freehold buildings are depreciated over their expected useful economic life to the college of between 15 and 60 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

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

CHELMSFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Technical equipment	- 4 years
Plant	- 10 years
Furniture, fixtures and fittings	- 4 - 10 years
Computer equipment	- 4 years

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

2.9 Borrowing costs

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

2.10 Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Consolidated Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

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

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

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

2.11 Investments

Investments in subsidiaries

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

Investments in joint ventures

The College accounts for its share of joint ventures using the equity method within the financial statements. Under the equity method in group accounts, if an investor's share of losses in a joint venture equals, or exceeds, the carrying amount of its investment, the investor shall discontinue recognising its share of further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the joint venture, in which case provision is required.

CHELMSFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.12 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 a maturity of 3 months or less from the date of acquisition.

2.13 Financial liabilities and equity

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

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

2.14 Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange 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.

2.15 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 discount rate. The unwinding of the discount is recognised as a finance cost in the Consolidated 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.

CHELMSFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.16 Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students 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.

2.17 Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

Essex Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

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

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

At the year end, the initial actuarial report from the Scheme Actuary reported a net pension asset of £12.617m. When the Scheme gives rise to a potential asset position, the Governors are required to assess the basis for recognising an asset on the Balance Sheet against the FRS102 criteria, this being "An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan." In using the word "shall", the emphasis is placed upon the College to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the College has considered the value at which they can benefit from either (1) refunds from the plan or (2) reduced contributions. As the College intends to continue to participate in the LGPS, the likelihood of a refund being due from the Scheme has been deemed as remote and not practically achievable. Secondly, the College has undertaken an exercise to assess the Minimum Fund Requirement (MFR) due to the Scheme in order to calculate the net present value of the asset which

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.17 Accounting for post-employment benefits (continued)

will be the value of a perpetuity of the future service cost minus the present value of the employer contributions. The outcome of this calculation has shown that the College is unlikely to gain economic benefit from a reduction in future contributions.

Accordingly, the College has made an impairment charge on the asset reducing the net position at the year ended 31 July 2025 to £Nil. Therefore, no defined benefit pension asset has been included in the financial statements.

CHELMSFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

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

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets, other than 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 reassessing 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 Pensions 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 23, 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. Given that an asset has been recognised, an impairment review has been undertaken. Please see accounting policy 2.17 and Note 23 for more details.

- Provision for doubtful debts

Debts arising from trading activities are provided for on the basis that a proportion, between 10% and 100% dependent on debt age, of those debts not funded through Student Loans Company loan agreements may ultimately not be collected.

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****4. Funding body grants**

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Recurrent grants				
Education and Skills Funding Agency - adult education budget	1,204	1,049	1,204	1,049
Education and Skills Funding Agency - 16-18	14,567	13,621	14,567	13,621
Specific grants				
Teachers Pension Scheme contribution grant	635	486	635	486
Releases of government capital grants	453	300	432	279
	16,859	15,456	16,838	15,435
	=====	=====	=====	=====

5. Tuition fees and education contracts

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Adult education fees				
Apprenticeship fees and contracts	170	154	170	154
Fees for FE loan supported contracts	1,720	1,508	1,720	1,508
Education contracts	-	105	-	105
	1,344	1,288	1,344	1,288
	=====	=====	=====	=====
	3,234	3,055	3,234	3,055
	=====	=====	=====	=====

6. Investment income

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Other interest receivable				
Pension interest	6	12	6	12
	492	394	492	394
	498	406	498	406
	=====	=====	=====	=====

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****7. Other income**

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Catering	356	359	391	394
Other income generating activities	1,079	945	11	6
Other grant income	637	88	637	88
Miscellaneous income	234	594	245	603
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	2,306	1,986	1,284	1,091
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

8. Staff costs

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Wages and salaries	10,496	9,453	9,853	8,873
Social security costs	1,064	850	1,021	816
Pension costs	2,830	1,861	2,821	1,843
Payroll sub total	14,390	12,164	13,695	11,532
Contracted out staffing services	1,024	856	997	844
Total Staff costs	15,414	13,020	14,692	12,376
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

The average number of persons (including Key Management Personnel) employed by the College during the year was:

	Group 2025 No.	Group 2024 No.	College 2025 No.	College 2024 No.
Teaching staff	142	134	142	134
Non-teaching staff	257	249	219	211
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	399	383	361	345
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

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

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****8. Staff costs (continued)****Key Management Personnel**

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the college leadership team.

Staff costs include compensation paid to key management personnel for loss of office.

Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff

	2025 No.	2024 No.
The number of Key Management Personnel posts including the Accounting Officer was:	3	3

The number of Key Management Personnel and other staff who received emoluments, excluding employer contributions to national insurance and pensions but including benefits-in-kind, during the year in the following ranges was:

	Key Management Personnel 2025 £000	Key Management Personnel 2024 £000	Other staff 2025 £000	Other staff 2024 £000
£60,001 - £65,000	-	-	2	2
£65,001 - £70,000	-	-	3	-
£70,001 - £75,000	-	-	-	4
£80,001 - £85,000	1	1	-	-
£85,001 - £90,000	-	1	-	-
£90,001 - £95,000	1	-	-	-
£120,001 - £125,000	-	1	-	-
£130,001 - £135,000	1	-	-	-
	<hr/> 3	<hr/> 3	<hr/> 5	<hr/> 6

Agency staff are not included in the above breakdown, if included would include 36 agency staff (2024 - 35).

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****8. Staff costs (continued)**

	2025 £000	2024 £000
Key Management Personnel compensation is made up as follows:		
Basic salary	309	295
Benefits in kind	3	2
Pension contributions	87	72
Total Key Management Personnel compensation	399	369
	=====	=====

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

	2025 £000	2024 £000
Salary - D Warnes	134	125
Benefits in kind - D Warnes	1	1
	=====	=====
135	135	126
Pension contributions - D Warnes	38	32
Total remuneration	173	158
	=====	=====

The governing body has adopted AoC's Senior Staff Remuneration Code published in 2019. The remuneration package of key management staff, including the Principal and Chief Executive is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****8. Staff costs (continued)**

	2025	2024
Relationship of Principal & Chief Executive pay and remuneration expressed as a multiple:		
The Principal & Chief Executive Officer's basic salary as a multiple of the median of all staff	5.6	4.1
The Principal & Chief Executive Officer's total remuneration as a multiple of the median total remuneration of all staff	5.2	4.3

The calculation for the basic salary does not include national insurance or pension contributions. The calculation for remuneration includes basic salary and pension. Agency staff have been pro rata as FTE 1 same as part-time staff.

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

9. Other operating expenses

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Teaching costs	2,474	2,281	2,429	2,190
Non-teaching costs	1,649	2,209	1,627	2,225
Premises costs	1,250	1,434	1,224	1,402
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	5,373	5,924	5,280	5,817
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	2025 £000		2024 £000	

Other operating expenses include:

Auditor's remuneration - Audit of the financial statements*	60	57
Auditor's remuneration - Other services provided by the financial statements auditor	20	15
Internal audit	26	14
Hire of assets under operating leases	97	73

* Includes £7,000 (2024 - £6,500) in respect of Dovedale Nursery CIC.

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

10. Interest and other finance costs

	Group 2025 £000	<i>Group 2024 £000</i>	College 2025 £000	<i>College 2024 £000</i>
On bank loans, overdrafts and other loans	99	125	99	125
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

11. Taxation

The Governors do not believe the College is liable for any corporation tax arising out of its activities during either year. There is no tax charge for the subsidiary company.

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****12. Tangible fixed assets****Group**

	Freehold land and buildings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At 1 August 2024	40,383	10,365	789	51,537
Additions	429	179	574	1,182
Transfers between classes	229	434	(663)	-
At 31 July 2025	41,041	10,978	700	52,719
Depreciation				
At 1 August 2024	11,257	8,247	-	19,504
Charge for the year	877	717	-	1,594
At 31 July 2025	12,134	8,964	-	21,098
Net book value				
At 31 July 2025	28,907	2,014	700	31,621
<i>At 31 July 2024</i>	<i>29,126</i>	<i>2,118</i>	<i>789</i>	<i>32,033</i>

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****12. Tangible fixed assets (continued)****College**

	Freehold land and buildings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At 1 August 2024	39,650	10,268	789	50,707
Additions	429	179	564	1,172
Transfers between classes	229	434	(663)	-
At 31 July 2025	40,308	10,881	690	51,879
Depreciation				
At 1 August 2024	10,812	8,169	-	18,981
Charge for the year	839	713	-	1,552
At 31 July 2025	11,651	8,882	-	20,533
Net book value				
At 31 July 2025	28,657	1,999	690	31,346
At 31 July 2024	28,838	2,099	789	31,726

13. Non current investments**Investments in subsidiary companies**

The College owns 100% of the issued ordinary £1 shares of Dovedale Nursery C.I.C, a company incorporated in England and Wales. The principal activity of the Dovedale Nursery CIC is to provide pre-school nursery facilities. The net assets of Dovedale Nursery CIC at 31 July 2025 are £244k (2024 - £154k) and the Net Gain for the year is £89k (2024 - loss £86k) having made a gift aid distribution of £90k (2024 - £210k). Dovedale Nursery is registered at 102 Moulsham Street, Chelmsford CM2 0JQ.

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****14. Trade and other receivables**

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Due within one year				
Trade receivables	30	88	20	73
Amounts owed by group undertakings	-	-	209	94
Amounts owed by the DfE	291	265	291	265
Other receivables	42	38	42	38
Prepayments and accrued income	374	274	340	271
	737	665	902	741
	=====	=====	=====	=====

15. Creditors: Amounts falling due within one year

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Bank loans and overdrafts				
Bank loans and overdrafts	392	1,369	392	1,369
Other loans	142	-	142	-
Amounts owed to the DfE	87	110	87	110
Trade payables	931	688	921	683
Deferred income - government capital grants	521	300	500	300
Other taxation and social security	260	214	245	200
Other creditors	299	281	274	266
Accruals and deferred income	1,094	1,996	1,090	1,975
	3,726	4,958	3,651	4,903
	=====	=====	=====	=====

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****16. Creditors: Amounts falling due after more than one year**

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Bank loans	298	385	298	385
Other loans	699	298	699	298
Provision for liability and charges	-	5	-	-
Deferred income - government capital grants	8,044	7,215	7,963	7,113
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	9,041	7,903	8,960	7,796
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>

Included within the above are amounts falling due as follows:

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Between one and two years				
Bank loans	298	385	298	385
Other loans	142	-	142	-
Between two and five years				
Other loans	557	298	557	298
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>

Secured bank loans drawn down totalling £4.5m are repayable by instalments due by 31 March 2027 at a fixed rate of interest of 3.745% to Lloyds Bank, the current balance is £690k. This loan is secured against the campus at 102 Moulsham Street, Chelmsford, CM2 0JQ.

The College obtained a £953k loan facility with the Secretary of State for Education under the Further Education Reclassification Loan Scheme in January 2025. The loan is repayable by quarterly instalments between January 2025 and July 2031 at the Public Works Loan Board standard rate. The loan is unsecured and is being repaid via deductions from Department for Education (DfE) grant funding. At 31 July 2025 the outstanding balance was £841k. Interest paid during the year was £29k.

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

17. Provisions

	<i>Group - other 2024 £000</i>	<i>Total funds 2024 £000</i>
At 1 August 2023	(3)	(3)
Transferred from Consolidated Statement of Comprehensive Income and Expenditure	3	3
<i>Total 31 July 2024</i>	<hr/> <hr/> <hr/> <i>-</i>	<hr/> <hr/> <hr/> <i>-</i>

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****18. Reconciliation of net movement in funds to net cash flow from operating activities**

	Group 2025 £000	Group 2024 £000
Surplus for the year	417	585
<hr/>		
Adjustments for non -cash items:		
Depreciation	12	1,594
Investment income	6	(6)
Increase in debtors	14	(72)
(Decrease)/increase in creditors due within one year	15	(397)
Increase/(decrease) in creditors due after one year	16	824
Decrease in other provisions	17	-
Pension costs less contributions payable	23	(64)
Decrease in stocks	-	4
Interest payable	10	99
Net cash provided by operating activities	2,395	2,620
<hr/>		

19. Analysis of cash and cash equivalents

	Group 2025 £000	Group 2024 £000
Cash in hand	2,469	1,870
<hr/>		
Total cash and cash equivalents	2,469	1,870
<hr/>		

20. Analysis of changes in net debt

	At 1 August 2024 £000	Cash flows £000	New loans £000	At 31 July 2025 £000
Cash at bank and in hand	1,870	599	-	2,469
Debt due within 1 year	(1,669)	868	(254)	(1,055)
Debt due after 1 year	(683)	385	(699)	(997)
	<hr/>	<hr/>	<hr/>	<hr/>
	(482)	1,852	(953)	417
	<hr/>	<hr/>	<hr/>	<hr/>

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****21. Contingent liabilities**

There were no contingent liabilities at the year end (2024 - *NIL*).

22. Capital commitments

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Commitments contracted for at 31 July	300	-	300	-

23. Pension commitments

The Group operates a defined benefit pension scheme.

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 Essex Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

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

Contributions amounting to £267,000 (2024 - £245,000) were payable to the schemes at 31 July and are included in creditors.

Teachers' Pension Scheme

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

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

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****23. Pension commitments (continued)**

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Corporation 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 below 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 accounts 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 to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion compared to £22 billion in the 2016 valuation.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from April 2024 onwards.

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

The pension costs paid to TPS in the year amounted to £1,332,000 (2024 - £1,075,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Essex County Council Local Authority. The total contributions made for the year ended 31 July 2025 were £1,354,000 (2024 - £1,222,000), of which employer's contributions totalled £1,078,000 (2024 - £974,000) and employees' contributions totalled £276,000 (2024 - £248,000). The agreed contribution rates for future years are 23.6% until 31 March 2026 for the College and range from 5.5% to 12.5% cent for employees, depending on salary according to a national scale. The employers rate increased to 23.6% from 22.8% on 1 April 2025.

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

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 July 2025	At 31 July 2024
	%	%
Discount rate	5.70	5.05
Future salary increases	0.95	1.00
Future pension increases	2.80	2.85
Inflation assumption	2.80	2.85
Commutation of pensions to lump sums	50	50

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****23. Pension commitments (continued)**

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

	At 31 July 2025 Years	At 31 July 2024 Years
Retiring today - Males	21.8	20.7
Retiring today - Females	24.1	23.3
Retiring in 20 years - Males	23.4	22.0
Retiring in 20 years - Females	25.8	24.7

The Group's share of the assets in the scheme was:

	At 31 July 2025 £000	At 31 July 2024 £000
Equities	18,721	16,453
Gilts	480	513
Property	2,591	2,070
Cash and other liquid assets	562	523
Alternative assets	5,168	4,488
Other managed funds	5,967	5,360
Total fair value of assets	33,489	29,407

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****23. Pension commitments (continued)**

The amounts recognised in the Consolidated Statement of Comprehensive Income and Expenditure are as follows:

	2025 £000	2024 £000
Current service cost		
Amounts included in staff costs		
Current service costs	(466)	(768)
	(466)	(768)
Amounts included in interest and other finance costs		
Net interest payment	48	394
Admin expenses	(17)	(18)
	31	376
Amounts recognised in other comprehensive income		
Return on plan assets	1,351	1,340
Experience losses arising on defined benefit obligations	(216)	96
Changes in assumptions underlying the present value of plan liabilities	1,621	(420)
Asset ceiling restriction	(2,820)	(1,598)
Amount recognised in Other Comprehensive Income	(64)	(582)

Movements in the present value of the defined benefit obligation were as follows:

	2025 £000	2024 £000
Opening defined benefit obligation	20,633	19,133
Interest cost	1,050	971
Contributions by scheme participants	276	248
Benefits paid	(1,167)	(807)
Liabilities assumed on settlements	599	-
Unfunded pension payments	(4)	(4)
Change in financial assumptions	(2,438)	467
Change in demographic assumptions	817	(47)
Experienced loss / (gain) on defined benefit obligation	216	(96)
Current service cost	890	768
Closing defined benefit obligation	20,872	20,633

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****23. Pension commitments (continued)**

Movements in the fair value of the Group's share of scheme assets were as follows:

	2025 £000	2024 £000
Opening fair value of scheme assets	29,407	26,309
Interest on assets	1,542	1,365
Return on assets less interest	1,351	1,340
Settlement prices received	1,023	-
Contributions by employer	1,078	974
Contributions by scheme participants	276	248
Benefits paid	(1,171)	(811)
Administration expenses	(17)	(18)
Closing fair value of scheme assets	33,489	29,407

The amount included in the Balance Sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

	2025 £000	2024 £000
Fair value of plan assets	33,489	29,407
Present value of plan liabilities	(20,872)	(20,633)
Asset ceiling adjustment	(12,617)	(8,774)
Net pensions asset/ (liability)	-	-

The estimated value of the Local Government Pension Scheme provided by the scheme's actuary resulted in an overall asset of £12,617k (2024 - £8,774k) at the year end. As there is no indication as to whether the College will be able to recover the surplus under the scheme rules, and since the asset ceiling report received as at 31 July 2025 projects discounted future scheme liabilities, the gain has only been recognised up to a value of zero on the Balance Sheet.

CHELMSFORD COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025****23. Pension commitments (continued)**

Total pension cost for the year

	2025 £000	2024 £000
Local Government Pension Scheme		
Contributions paid	1,078	974
FRS 102 (28) charge	420	(188)
	<hr/> 1,498	<hr/> 786
Teachers' Pension Scheme: contributions paid	1,332	1,075
NEST contributions	-	8
Total Pension Cost for Year within staff costs	<hr/>2,830	<hr/>1,869
	<hr/><hr/>	<hr/><hr/>

24. Operating lease commitments

At 31 July 2025 the Group and the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Not later than 1 year	90	97	90	97
Later than 1 year and not later than 5 years	104	194	104	194
	<hr/> 194	<hr/> 291	<hr/> 194	<hr/> 291
	<hr/><hr/>	<hr/><hr/>	<hr/><hr/>	<hr/><hr/>

CHELMSFORD COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

25. Related party transactions

Due to the nature of the College's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which 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 £NIL (2024 - £NIL, *no governors*). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

The College employed the services of Carbon Cloud, a related party of a member of the Senior Management Team of £NIL (2024 - £2,116); this was approved by the College Executive Team.

No Governor has received any remuneration or waived payments for the College or its subsidiaries during the year (2024 - *None*).

Chelmsford College entered into a 50:50 joint venture which formed Essex Shared Services Ltd in August 2014 with the purpose to provide back office shared services to both Colleges. The annual shared cost for these services were £Nil (2024 - £404k).

Dovedale Nursery CIC, a wholly owned subsidiary of the College. Sales in the year for Nursery lunches £35,389 (2024 - £35,168) and Rental income £25,000 (2024 - £24,999) The balance owed by Dovedale Nursery to the College was £209,000 (2024 - £94,575) at the balance sheet date. All transactions have been eliminated on consolidation.

26. Amounts disbursed as agent

	2025 £000	2024 £000
Learner support funds		
Brought forward from prior years	498	498
16 - 19 bursary grants	311	339
24+ Advanced loans bursary	5	-
	<hr/> 814	<hr/> 837
Disbursed to students	(208)	(163)
Administration costs	(16)	(16)
Clawback	(194)	(160)
	<hr/> 396	<hr/> 498
Balance unspent as at 31 July		
	<hr/> <hr/>	<hr/> <hr/>

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