



# ***Strategic Report and Financial Statements***

Year ending 31 July 2025



Macclesfield College

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# Macclesfield College

## Reference and Administrative Details

### Key management personnel

Key management personnel are defined as members of the College Executive Leadership Team and were represented by the following in 2024-25:

Rachel Kay - Principal and CEO; Accounting Officer

Dr Lucy Reed – Deputy Principal

Annika Farrar – Director of Finance

### Board of Governors

A full list of Governors is given on pages 24 and 25

S Gardiner Director of Governance

### Principal and registered office:

Macclesfield College

Park Lane

Macclesfield

Cheshire

SK11 8LF

### Professional advisers

External auditors    Wbg (Audit) Limited, Glasgow

Internal auditors    Validera, Staffordshire

Bankers                Royal Bank of Scotland, Macclesfield

Solicitor                Vista Employer Services Ltd, Cheshire

# **Macclesfield College**

## **Strategic Report**

### **OBJECTIVES AND STRATEGIES**

The governing body present their annual report together with the audited financial statements for the year ended 31 July 2025.

### **Legal Status**

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

The Corporation was incorporated as Macclesfield College of Further Education. On 1 September 1994, the Secretary of State granted consent to the Corporation to change the College's name to Macclesfield College.

### **Mission**

Following the appointment of the Principal in August 2015, the mission statement was changed to:  
'Empowerment through Learning'

### **Implementation of Strategic Plan**

In 2023, a new year five-year plan was adopted. This plan was supported by four key themes.

- Students
- Staff
- Commercial Growth and Innovation
- Stakeholders

This plan will be controlled and evaluated on an annual basis by the governing body. The implementation is communicated through a variety of platforms and systems. Strong Robust targets are set followed with an annual review from the leadership team and presented with progress and impact assessments to the governing body. The plan is focused on maintaining the strong and lasting links made in the region alongside the ambition to further engage local stakeholders ensuring the college achieves its key performance indicators.

# Macclesfield College

## Strategic Report (continued)

### Ofsted

The College was inspected in November 2023 and is anticipated to undergo reinspection during the 2025/26 academic year under the revised Ofsted framework

The grading in 2023 was as follows:

The quality of education	Requires Improvement
Behaviours and attitudes	Requires Improvement
Personal development	Requires Improvement
Leadership and management	Requires Improvement
Education programmes for young people	Requires Improvement
Adult learning programmes	Good
Apprenticeships	Good
Provision for learners with high needs	Good

Key strengths identified during the inspection:

- Leaders ensure that adult curriculums meet increasing employment demands;
- Leaders and managers ensure that students with high needs on the pathways programme follow a well-designed and individualised curriculum.
- In apprenticeships, tutors and coaches accurately identify apprentices' starting points and progress is monitored regularly.
- Tutors use assessment effectively
- Leaders and managers are considerate of the workload and well-being of staff.
- The College has effective safeguarding arrangements.

Ofsted conducted a monitoring visit in January 2025 following the College's 'Requires Improvement' judgement in November 2023. Inspectors concluded that the College is making reasonable progress in addressing all previously identified areas for improvement.

Key areas of progress include strengthened quality assurance processes, enhanced monitoring of attendance, and improved curriculum planning supported by greater collaboration with employers. Inspectors noted progress in English and mathematics delivery, with investment in specialist leadership contributing to improved coherence across vocational and academic provision.

The College has also strengthened its support for students with high needs through revised EHC documentation, improved staff training, and increased specialist capacity. Curriculum alignment with local skills priorities has progressed, and teaching practice is developing positively, though further work is required to ensure consistency across all areas.

Overall, the monitoring visit confirmed that the College is moving in the right direction, with the foundations for sustained improvement now more firmly embedded

# Macclesfield College

## Strategic Report (continued)

### RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives. The College employs on average 255 permanent people (2023-24: 236), of whom 90 are teaching staff, excluding assessors and teachers in management posts. Tangible resources are located on the main college site which consists of the main building, Mulberry building, ECAT and Peatfields. With the addition of the Institute of Technology building in 2024-25. These buildings have a net book value of £17,433,000 (2023-24 £13,608,000).

The College has £1,964,000 (2023-24 £1,556,000) of net assets. For 2024-25 the college has no pension liability nor has it recognised the asset from the actuarial valuation due to the colleges inability to realise the asset in real terms. The amount not recognised is £5,959,000. The college has long-term debt of £556,000 (2023-24 £719,000).

#### Students

The College enrolled approximately 3,676 students. The College's student population includes 1,242 16-18 students; 753 Apprentices; 25 Higher Education students and 1,656 Adult students.

#### Reputation

The College has a good reputation locally and nationally. The College is a multi-awarded winning and is proud of its ambitious values.

### STAKEHOLDER RELATIONSHIPS

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

- Students
- Parents
- Education sector funding bodies
- Staff
- Local employers (with specific links)
- Local Skills Improvement Plans
- Chamber of Commerce
- Local Enterprise Partnership (LEP)
- Local Authorities
- The local community
- Other FE institutions
- Trade unions
- Professional bodies

# Macclesfield College

## Strategic Report (continued)

- All feeder schools in the region
- FE Commissioner

The College recognises the importance of these relationships and engages in regular communication with them.

## Public Benefit

Macclesfield College is an exempt charity under the 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 on pages 24 and 25.

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

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

- High quality teaching with learning and assessment both on and off site of the college.
- Widening participation and tackling social exclusion by broadening opportunities for our community, in lifelong learning that builds regional skills prosperity.
- Excellent employment record and strong destinations for students.
- Strong student support systems that robustly respond to emerging trends.
- Strong collaboration with employers, industry and commerce creating an adaptive learning approach to regional needs.
- Robust relationships with Local Enterprise Partnerships (LEPS).
- Strong engagement with Local Skills Improvement Plans (LSIPS).
- Strong civic engagement addressing local skills challenges.
- Building a social and inclusive foundation to enable us to listen to community needs via multiple platforms.

## DEVELOPMENT AND PERFORMANCE

The activities of the College, together with the factors likely to affect its future development and performance, are set out in the Members' Report. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College primarily meets its day to day working capital requirement through cash generated from its day-to-day operations. It also has a fixed loan facility with Allied Irish Bank which as at 31 July 2025 had a balance of £719K, due for repayment over a remaining period of 4 years.

The College wishes to diversify its income, and successfully delivered high quality professional courses to employers during 2024-25.

# **Macclesfield College**

## **Strategic Report (continued)**

In March 2025, Macclesfield College was officially ranked No. 1 in Cheshire & Warrington for 16-19 Education and Training, based on the latest national performance tables.

The college's continued emphasis on vocational and technical training, tailored to employer needs, helped reinforce its positioning as a leading FE provider locally

## **Curriculum Developments**

The curriculum design was reviewed as part of the curriculum planning cycle in preparation for the 2024-25 academic year to ensure that the offer met the local and regional skills needs.

During 2024-25, the College rolled out or prepared several new or expanded pathways to meet evolving labour market and community needs:

The College is preparing to offer courses in electric vehicle technology, up to Level 4, responding to growth in the automotive and green-technology sectors. This follows a bid to the Government's Local Skills Improvement Fund to fund vehicles and associated technology.

There was major growth in apprenticeship enrolments, particularly in Construction, Childcare and AAT (accounting/finance) apprenticeships.

The College continued to expand its Higher Technical Education offering as part of a multi-college bid to create an Institute of Technology for the region. The new institute is planned to deliver higher-level courses in Engineering, Computing, Health & Life Sciences and Construction

The College's course offering as of 2025-26 shows a very broad offering: vocational courses across traditional FE domains. Engineering, Construction, Business & Accounting, Health & Social Care, Public Services, Creative & IT, Beauty, Hair, Automotive, as well as academic to vocational bridging options.

For adult learners, expanded options in professional diplomas e.g. AAT Accounting, higher-level qualifications (HNC, HND), and Access to HE courses, facilitating re-training or upskilling for those without traditional academic backgrounds.

The College's Pathways provision continues to support students needing additional learning support, offering personalised learning plans, small-class environments, and life-skills training such as employability, independent living, cooking, enterprise.

Curricula have been developed in collaboration with local employers and industry bodies, particularly in engineering, automotive/EV, construction, health & social care, to ensure that courses remain responsive to labour demand

The College's growing apprenticeship provision underlines this demand driven approach, supporting both young learners and adult re-skilling, enhancing workforce readiness in the region



# Macclesfield College

## Strategic Report (continued)

### Financial Results

The College's financial health grade for 2024/25 will be classified as "Good." reflecting a stable and well managed financial position. This outcome is driven by a strong underlying operating surplus, disciplined cost management, and sustained liquidity. Cash reserves remain robust, supported by effective working capital controls and prudent treasury management.

Staffing expenditure has been actively managed, ensuring pay costs remain within sector benchmarks while maintaining operational capacity. The balance sheet continues to demonstrate resilience, with positive net current assets and strengthened reserves underpinning the College's long term financial sustainability.

Enhanced financial governance, including rigorous in-year monitoring and proactive intervention, has ensured the College remains aligned to its strategic financial plan. Capital investment has been prioritised and affordable, supporting curriculum development without compromising financial stability.

The College is committed to retaining the "Good" rating in 2025-26

The final bank loan covenant was permanently removed from 2023-24 as it has been determined that there is no risk of the College failing to fulfil its repayment obligations.

The College generated a surplus before the other gains and losses in the year of £839,000 (2023-24 a deficit of £225,000), with total comprehensive income of £415,000 (2023-24 deficit £607,000). The College relies significantly on the education sector funding bodies for its principal funding source, largely recurrent grants. In 2024-25 the FE funding bodies provided 90% of the College's total income (2023-24 89%).

The College has unrestricted reserves of £1,963,000 (2023-24 £1,556,000) and cash balances of £812,000 (31 July 2024 £562,000).

Tangible and intangible fixed asset additions in the year amounted to £3,456,000 (2023-24 £2,257,000). £3,244,000 relates to Assets under Construction in relation to the Institute of Technology building, T Level W5 and the additional capital funding received from DfE during 2024-25.

### Cash Flows and Liquidity

Cash balances as at 31 July 2025 were £812,000 (31 July 2024 £562,000), an increase from the previous year of £250,000 as a result of:

- the net cash inflow from operating activities of £136,000
- payments in respect of investing activities of £333,000
- payments in respect of financing activities of £219,000.

# **Macclesfield College**

## **Strategic Report (continued)**

### **Reserves**

The College has accumulated income and expenditure reserves of £944,000 and cash balances of £812,000. The College wishes to continue to accumulate reserves and cash balances in order to create a contingency fund to meet future capital requirements, ensure sufficient working capital and that the college is able to mitigate any risk that materialises with financial implications.

The College recognises that its income is not guaranteed. The Board needs to ensure there are sufficient reserves to support the College while other sources of income are secured, or to allow the College to wind up while meeting its obligations to staff and students.

The Board of Governors has agreed to keep a certain level of financial reserves to ensure that main operations can continue for a period of 90 days.

The main concerns of the Board of Governors are to ensure:

- that staff can continue working
- that there is time to secure new funding
- that students are supported to move on to other providers that it has sufficient resources to meet its liabilities

### **FUTURE PROSPECTS**

#### **Future developments**

The College is engaged in exploratory talks with Cheshire College South & West about a potential merger, anticipated to create a larger FE institution covering broader regional skills needs. If approved, the merger could deliver a powerhouse FE provider across Cheshire, enabling even greater curriculum breadth and resilience.

This merger conversation, and the College's proactive curriculum and facilities expansion, align with upcoming regional devolution and skills strategy changes in Cheshire, positioning Macclesfield College at the centre of future demand for further/higher education and workforce training.

The College remains committed to identifying new capital funding opportunities to enhance the Estate.

# **Macclesfield College**

## **Strategic Report (continued)**

### **Financial Plan**

The College Governors approved a three-year plan in July 2024, which sets objectives for the period to 2026. The college aimed to recover to its health rating of 'Good' and achieve a small adjusted operating surplus in 2024/25, which was achieved

The college has been funded for 1,236 learners in 2025/26. The Adult Education budget is expected to perform well against allocation and growth in Apprenticeships is forecast in the financial plan. Other income streams are expected to stay largely in line with prior year performance.

Staff costs are expected to increase due to cost of living increases and an increase in staff numbers to accommodate increase in student numbers.

Other operating expenditure expected to remain stable as the college has entered into contracts for fixed periods for large areas of spend

### **Treasury Policies and Objectives**

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

The College has adopted an appropriate treasury management policy to maximise its return on any surplus liquidity whilst eliminating risk.

Following the re-classification of colleges from private to public sector bodies any new private sector borrowing will require DfE permission.

Funding is determined annually and this could expose the sector and the College to quite significant falls in income.

Reserves will be built up from earned income and these reserves need to be £2m to continue running for 90 days. The college's objective remains that the college needs to continue to build reserves from earned income going forward.

The Board of Governors will review this policy whenever there are significant changes in income or operating costs.

### **Reserves**

The College has a Reserves Policy to guide financial decision-making in future. The policy gives guidance on the minimum level of cash working capital and unrestricted reserves balances to ensure the College can both meet any short-term obligation but also ensure long-term sustainability. The reserves policy is not the only means of assessing going concern but contributes to this. The College keeps cash and reserves to ensure that it meet unexpected costs, deal with income shortfalls resulting from enrolment reductions of government funding changes and meet the future costs of improving the buildings and reducing carbon emissions.

# Macclesfield College

## Strategic Report (continued)

### PRINCIPAL RISKS AND UNCERTAINTIES

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 these risks.

The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that have been in place for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

After making appropriate enquiries, the Corporation considers the College has adequate resources to continue in operational existence for the foreseeable future, however, the College continues to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

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

A risk register is maintained at strategic level which is reviewed termly by the Audit Committee. 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.

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

#### 1. Government funding

The College has considerable reliance on continued government funding through the further education funding sector bodies and The Office for Students. In 2024-25, 90% (2023-24 89%) of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding, and is actively monitoring these to ensure appropriate mitigations are in place. Key areas of exposure include:

# Macclesfield College

## Strategic Report (continued)

### Contextual Funding Risks Facing the College

**Demographic Shifts:** Local and regional population forecasts indicate potential fluctuations in the 16–18 cohort. Any downturn in learner numbers would create material pressure on lagged learner funding and could restrict the College’s ability to sustain current curriculum breadth.

**National Funding Policy Volatility:** Ongoing reform of the post-16 landscape, including T Level rollout, changes to adult funding mechanisms, and potential adjustments to the apprenticeship levy, presents a degree of uncertainty. Variability in central government priorities may influence the quantum and distribution of future funding streams.

**Performance-Linked Funding Exposure:** Funding linked to curriculum performance, qualification achievement rates and apprenticeship outcomes remains at risk should sector benchmarks tighten. Underperformance in any high-volume area could lead to clawbacks or reduced allocations.

**Cost Inflation and Real-Terms Erosion:** Recent uplifts to funding rates do not fully offset the sustained impact of pay inflation, energy costs and general operating overheads. As a result, the real-terms value of DFE funding continues to be eroded, creating structural pressure on the College’s financial resilience.

**Employer Engagement and Apprenticeship Demand:** Local employer demand for apprenticeships remains sensitive to broader economic conditions. Any contraction in the labour market could suppress apprenticeship starts and related earnings.

This risk is mitigated in a number of ways:

**Strengthen Recruitment and Curriculum Flexibility:** Optimise the curriculum offer, enhance school engagement, and diversify delivery models to offset demographic volatility.

**Improve Strategic Foresight:** Implement robust scenario planning and policy horizon scanning to anticipate national funding reforms and protect medium-term budgets.

**Enhance Quality and Performance Management:** Use real-time data monitoring and targeted interventions to safeguard achievement rates, apprenticeship outcomes and related funding.

**Drive Cost Efficiency:** Apply sustainable workforce planning, procurement efficiencies and energy-reduction strategies to mitigate ongoing cost inflation and real-terms funding erosion.

**Reinforce Employer Partnerships:** Adopt an account-management approach, expand employer-responsive products, and use labour-market intelligence to protect apprenticeship demand.

**Embed Financial Resilience Measures:** Use contribution analysis, improved MIS intelligence and strengthened governance reporting to enable agile, risk-informed decision making.

# Macclesfield College

## Strategic Report (continued)

### KEY PERFORMANCE INDICATORS

The colleges key performance indicators, targets and results are set out below: -

Key Performance Indicator	Original Target or benchmark	*Actual for 2024/25
Student Number Target – DFE 16-18	1,127	1,236
<b>Financial Health Measures (DFE)</b>		
Adjusted Current Ratio	> 1.4	0.77
EBITDA – education specific	6%	6.18%
Debt% to Income	35%	5.27%
Financial Health Grade	Good	Good
Staff costs as a % of income	< 65%	65.65%
Unrestricted Cash balance	>£1m	£161K
Student attendance (16-18)	91.5%	82%
Student achievement (all ages)	88.5%	87.4%
Student achievement (apps all ages)	63%	69.7%

\*Subject to the final submission of the Finance Record to the DFE

### Student Achievements

Students continue to achieve at the College. The success rate was 87.4% in 2024-25 (84.5% for 2023-24).

### Student Numbers

In 2024-25 the College delivered activity that produced £11,661,000 in re-current funding grants (2023-24 £10,282,000).

### Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2023 to 31 July 2024, the College is satisfied this requirement was met and makes regular monthly payment runs. The College incurred no interest charges in respect of late payment for this period.

# Macclesfield College

## Strategic Report (continued)

### 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:

**Upgrading to energy-efficient LED lighting** across priority curriculum blocks and communal areas, delivering measurable reductions in electricity consumption and improved lighting quality.

**Optimisation of Building Management Systems (BMS)** to better regulate heating, ventilation, and air-conditioning cycles, ensuring plant operates only when required and at optimal load.

**Installation of smart metering and sub-metering** to enable improved monitoring of real-time energy usage, strengthening the College's ability to identify inefficiencies and intervene promptly.

**Replacement of ageing boilers and HVAC components** with higher-efficiency alternatives designed to reduce both gas consumption and lifecycle maintenance costs.

**Enhanced insulation and draught-proofing works** undertaken as part of ongoing condition improvement projects, improving thermal performance and mitigating heat loss.

**Expansion of recycling and waste-reduction initiatives**, including improved segregation points and staff/student engagement campaigns, reducing the volume of waste sent to landfill.

**Promotion of sustainable behaviour across the workforce and student body**, including adopting "switch-off" protocols, awareness campaigns, and sustainability champions within key departments.

These measures collectively support the College's strategic commitment to environmental stewardship, reduce exposure to volatile energy markets, and contribute to long-term operational resilience. Further initiatives are planned for the forthcoming year as part of the College's evolving decarbonisation roadmap.

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 2021 UK Government's Conversion Factors for Company Reporting are as follows:

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>2024-25</b>	<b>2023-24</b>
Energy consumption used to calculate emissions (kWh)	1,973,003	1,952,871
Scope 1 - Gas consumption	173.23	206.31
Scope 2 - Purchased electricity	140.44	160.87
Scope 3 - Business travel in employee-owned vehicles	12.19	10.50
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>325.86</b>	<b>377.69</b>
<b>Intensity ratio Tonnes CO<sub>2</sub>e per student</b>	<b>0.12</b>	<b>0.17</b>

# **Macclesfield College**

## **Strategic Report (continued)**

### **Equality and Diversity**

Macclesfield College is committed to fostering an environment where equality, diversity and inclusion are embedded across all aspects of our organisational culture, decision-making and service delivery. We recognise the immense value that a diverse community brings to the quality of learning, working and engagement across the College, and we are dedicated to ensuring that every individual is treated with dignity, fairness and respect.

#### **Our Commitment**

We strive to create a welcoming and inclusive environment in which students, apprentices, staff and stakeholders can flourish irrespective of their background, identity or personal circumstances. We actively promote equality of opportunity and work to eliminate discrimination, harassment and victimisation in line with the Equality Act 2010.

#### **Our Principles**

##### **Equity of Access and Opportunity**

We ensure that our programmes, services and facilities are accessible, responsive and designed to remove barriers to participation and achievement.

##### **Respect for Individual Identity**

We celebrate the richness of our community and embrace the diverse characteristics, experiences and perspectives that shape it. We encourage open dialogue, mutual respect and inclusive behaviour throughout the organisation.

##### **Inclusive Culture and Learning Environment**

We promote inclusive teaching, learning and assessment practices that support the success and progression of all learners. Our staff are equipped with the knowledge and confidence to champion inclusive practice and challenge discrimination whenever it arises.

##### **Continuous Improvement**

We regularly monitor our performance, policies and culture to ensure fairness and transparency. Data-driven insights inform our strategic decisions, enabling us to continuously enhance the College's approach to equality and diversity.

##### **Our Responsibilities**

Every member of the Macclesfield College community shares responsibility for promoting equality and fostering an inclusive culture. Leaders and managers at all levels are expected to demonstrate visible commitment, proactively address inequality, and ensure compliance with statutory obligations and internal policies.



# Macclesfield College

## Strategic Report (continued)

### Our Vision

Our ambition is to cultivate a progressive and inclusive college where all individuals feel empowered to contribute, succeed and thrive. By championing equality and diversity, we aim to strengthen our learning community and enhance the educational, social and economic outcomes for the region we serve.

### Gender Pay Gap Reporting

	Year ending 31 July 2025
Mean gender pay gap	-12.3%
Median gender pay gap	2.9%
Mean bonus gender pay gap	N/A
Median gender bonus gap	N/A
Proportion of males/females receiving a bonus	0% 0%

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	39.7%	60.3%
2	22.0%	78.0%
3	39.7%	60.03%
4 – Upper quartile	39.0%	61.0%

The college publishes its annual gender pay gap report on its website.

# Macclesfield College

## Strategic Report (continued)

### Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 places a statutory requirement on the College to publish annually information on 'Facility Time' undertaken for trade union activity.

This is reflected in the table below.

### Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	FTE employee number
1	1

### Percentage of time spent on facility time

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

### Percentage of pay bill spent on facility time

Total cost of facility time	£1,590
Total pay bill	£8,752,000
Percentage of the total bill spent on facility time	0.02%

### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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# **Macclesfield College**

## **Strategic Report (continued)**

### **1. Disability Statement**

Macclesfield College is fully committed to fostering an inclusive, equitable, and supportive learning environment in which all learners, irrespective of disability, learning difference, or health condition, can realise their full potential. In alignment with the Equality Act 2010 and sector best practice, the College is dedicated to eliminating barriers, promoting dignity, and ensuring fair access to all aspects of the learner journey.

### **2. Scope**

This statement applies to:

- Prospective and current learners
- Apprentices
- Visitors
- Staff supporting the delivery of teaching, learning, and student experience services

It encompasses all academic, vocational, professional, and enrichment activities delivered by the College.

### **3. Principles**

#### **3.1 Accessibility**

We strive to ensure all physical and digital environments are accessible. This includes reasonable adjustments to estates, learning resources, and online platforms to facilitate full participation.

#### **3.2 Equity of Experience**

Learners with disabilities must have equitable opportunities to engage with curriculum, assessment, enrichment, work placements, and student support services. Adjustments are tailored to individual need, not constrained by diagnosis alone.

#### **3.3 Confidentiality**

All disclosures of disability or learning needs are managed sensitively and confidentially. Information is shared on a strictly need-to-know basis to support the learner effectively.

#### **3.4 Early Intervention**

We encourage early disclosure to ensure that practical and pedagogical adjustments can be implemented at the outset of the learner's programme. However, support remains available at any stage.

# **Macclesfield College**

## **Strategic Report (continued)**

### **4. Support Provision**

#### **4.1 Learning Support**

The College's Learning Support Team provides:

- Specialist assessment for learning needs
- One-to-one study support
- In-class support where appropriate
- Advance planning for reasonable adjustments

#### **4.2 Reasonable Adjustments**

Adjustments may include:

- Modified assessment arrangements
- Assistive technology
- Adapted learning materials
- Flexible timetabling
- Environmental adjustments

All adaptations are determined on a case-by-case basis following professional assessment and dialogue with the learner.

#### **4.3 Assistive Technologies**

Where appropriate, learners are supported to use tools such as:

- Screen readers
- Speech-to-text software
- Coloured overlays
- Accessible formats for digital content

### **5. Staff Responsibilities**

All staff are expected to:

- Engage proactively with inclusive practice
- Undertake relevant training
- Implement agreed adjustments
- Model behaviours that reinforce an inclusive, respectful culture

Academic staff are specifically responsible for ensuring that course design and delivery meet accessibility standards and promote engagement for all learners.

# **Macclesfield College**

## **Strategic Report (continued)**

### **6. Monitoring and Continuous Improvement**

The College undertakes regular monitoring of accessibility, learner outcomes, and support effectiveness. Feedback from learners and external partners informs ongoing enhancement of services and compliance obligations.

### **7. Disclosure and Contact**

Learners wishing to disclose a disability or request support may do so at application, enrolment, or any time during their programme. The Learning Support Team is the designated point of contact for all enquiries, triage, and coordination of support.

### **Going Concern**

The Corporation has undertaken a detailed assessment of the appropriateness of preparing the financial statements on a going concern basis for the period of at least twelve months from the date of approval of these financial statements.

#### **1. Basis of Assessment**

Management has prepared comprehensive financial forecasts, including income and expenditure projections, balance sheet forecasts and detailed monthly cash-flow modelling covering the period to July 2026. The assessment incorporates:

- confirmed DFE funding allocations for 2024/25;
- anticipated learner recruitment and retention profiles;
- cost inflation assumptions aligned to sector benchmarks; and
- planned capital and revenue commitments.

The forecasts have been subject to challenge and scrutiny through the College's internal budget-setting processes and by the Finance & Resources Committee.

#### **2. Liquidity and Cash-Flow Evaluation**

The College's cash-flow forecasts demonstrate that Macclesfield College is expected to maintain adequate liquidity throughout the assessment period. The modelling indicates that:

- minimum cash balances remain positive in all forecast periods;
- no overdraft facilities are required; and
- the College is able to meet its obligations, including payroll, supplier payments and loan repayments, as they fall due.

Stress-testing performed by management, including downside scenarios relating to learner recruitment, commercial income underperformance and incremental cost pressures, confirms that the College maintains sufficient headroom under all scenarios considered.

# Macclesfield College

## Strategic Report (continued)

### 3. Covenant Compliance and External Assurance

The College is compliant with all banking covenants at the reporting date and is projected to remain compliant throughout the forecast period. No indications have been identified that would suggest a withdrawal of lender support. DFE financial health indicators remain within acceptable thresholds, and the College has not received any notifications of concern or intervention.

### 4. Principal Risks and Mitigations

The going concern evaluation includes consideration of principal risks that could impact operational continuity. These include:

- volatility in learner numbers and funding rates;
- inflationary cost pressures;
- curriculum and estates development commitments;
- cyber-security and operational continuity risks.

Management has demonstrated that mitigating controls are embedded, including strengthened budget management disciplines, formalised performance monitoring, procurement efficiencies, and continued alignment of staffing structures to curriculum demand.

### 5. Conclusion and Corporation Determination

Having reviewed the financial forecasts, cash-flow projections, associated stress-testing and risk mitigation strategies, the Corporation is satisfied that there are no material uncertainties that cast significant doubt on Macclesfield College's ability to continue as a going concern.

Accordingly, the Corporation confirms that it is appropriate for the College to prepare the financial statements on a going concern basis.

### Disclosure of information to auditors

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

**Approved by order of the members of the Corporation on 9 December 2025 and signed on its behalf by**

Signed by:  
  
 528932E03B2F47D...  
**Ceri Johns**

Chair of Corporation

# Macclesfield College

## Governance Statement

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

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("The Code"); and

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with The Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with or exceeds 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 of the Code reviewed and reported to the Corporation on 4 February 2025. An internal Governance Audit was carried out in March 2025 and reported to the Corporation on 29 April 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 Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 1 August 2015.

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

Following the reclassification of Further Education colleges from private to public sector bodies in November 2022 the college complies with the overarching principles of the 'Managing Public Money' (MPM) guidance. Financial Regulations and procedures have been amended to incorporate the new rules specifically relating to borrowing, Senior Pay controls, write offs and losses, special payments and indemnities, guarantees and letters of comfort. The regulations have been shared with key staff and governors and systems are in place to handle these types of transactions.

# Macclesfield College

## Governance Statement (continued)

### Members of the Corporation

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

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees served	Attendance (Corporation meetings)
Mrs R Kay	17 Aug 2015	Ex officio		Member	Search and Governance	100%
Mr J Lewis	20 Sep 2022	4 Years		Staff	Search and Governance	40%
Ms H Taylor	01 Sep 2022	4 years		Staff	Search and Governance	83%
B Oultram	03 Dec 2024	1 year		Student	N/A	67%
J Dellow	03 Dec 2024	1 year	01 July 2024	Student	N/A	100%
Mr E Kennedy	09 Jul 2019 Reappointed 09 Jul 2023	4 years		Member		86%
Mr N Schofield	09 Jul 2013, Re-appointed 09 Jul 2017, 09 Jul 2021	4 years	03 Dec 2024	Member	Joined Audit Committee June 2021  Retired from Audit Committee 21.3.2023	0%
Mr M Wright	09 Jul 2008, Re-appointed 09 Jul 2012, 09 Jul 2016, 09 July 2020 09 July 2024	2 years		Member – Vice Chair	Audit, Remuneration, Search and Governance	86%
Mr I Cass	01 Sep 2021 Re-appointed 7 July 2025	4 years		Member	Remuneration	86%
Mrs C Johns	11 May 2022	4 years		Chair from 30.04.2024	Remuneration, Search & Governance	86%



## Macclesfield College

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees served	Attendance (Corporation meetings)
Mrs R Charlton	8 Feb 2022	4 years		Member	Remuneration Committee	86%
Mr A Hunter	25 April 2023	4 years		Member – Vice Chair Designate	Audit Committee Search and Governance Committee from September 2023 Remuneration Committee from September 2023	71%
Ms I Jones	01 Sep 2022	4 years		Co-opted Member		71%
Mr G Bristow	1 Sept 2023	4 years		Member	Audit Committee	100%
Mrs G Crossman	1 Sept 2023	4 years	3 Sept 2024	Member	Remuneration	100%
David Rutley	3 Sept 2024	4 years		Member		83%
Manny Botwe	22 Oct 2024	4 years		Member		20%
Richard Milkins	22 Oct 2024	4 years		Member		100%
Mrs M Bowers	02 April 2019 Re-appointed 02 April 2023	2 years	18 March 2024 completion of 2 terms		Audit Committee only as a Co-Opted Member	N/A

S Gardiner acts as Director of Governance.

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 at least once per term.

## **Macclesfield College**

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are

Audit, Remuneration, and Search and Governance. 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:

Macclesfield College

Park Lane

Macclesfield

Cheshire

SK11 8LF

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

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

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

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

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

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance 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 is responsible for ensuring that appropriate training is provided as required.

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

# Macclesfield College

## Governance Statement (continued)

### 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 Governing Body has continued its commitment to development and held two full day development sessions on 22 October 2024 and 13 May 2025. The Principal and Chair attended the regional AoC networks throughout the year. A full update was provided by the College Safeguarding Lead on Safeguarding and Keeping Children Safe in Education Guidance.

### Training for the Corporation and Governance Professional

Corporation Members have engaged in training across the year as detailed below.

The newly appointed Director of Governance is undertaking Part 1 of the Chartered Governance Qualifying Programme with the Chartered Governance Institute UK & Ireland and had completed the Governance Professionals’ Development Programme – Induction & Mentoring in January 2025 with the Education and Training Foundation.

New Corporation Members attended the Governor Induction programme with the Education and Training Foundation and have also undertaken sessions of the Governor Development Programme with the Education and Training Foundation.

The details of the training and development activities that were undertaken in the academic year 2024-2025 are detailed below:

- Induction training for Staff, Student and newly appointed Governors (both internal and external training);
- Safeguarding for Governors, including Keeping Children Safe in Education and Prevent;
- Business Essentials including, Cyber Security, GDPR and Data Protection;
- Strategic Development including the FE Sector National Context;
- How well the Education or training provided meets local needs;
- Tour of the campuses and Curriculum provision and offer;
- Student and Staff Governors Conference;
- AoC Principal, Chairs and Governor Professional Group throughout the academic year;
- Governance Professional Annual Conference.

Governors also participated in Governor Strategic Development Events that had a particular focus on:-

- New Government 'Missions' evaluation;
- Government strategies impacting post-16;
- Skills review;
- Curriculum and assessment review;
- Ofsted and new framework;
- Devolution of England and Mayoral elections;
- Funding overview for 2025/26;
- Implications of funding review.

# Macclesfield College

## Governance Statement (continued)

### Remuneration Committee

Throughout the year ending 31 July 2025 the College's Remuneration Committee comprised 6 Members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel. The College has adopted the AoC's Senior Staff Remuneration Code.

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

### Audit Committee

In 2024-2025 the Audit Committee comprised 3 members of the Corporation 3 co-opted members. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets 3 times a year and provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

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

### Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

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

- Payroll
- Student Records
- IT Health Check
- Information Governance
- Follow Up

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

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

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

# Macclesfield College

## Governance Statement (continued)

### Committee Member: Meetings attended:

M Wright	3
G Bristow	3
P Hunter	2
M Bowers	2*
N Hodgkinson	2
I Lees	2

\* This Member's term of office expired in April 2025 and has duly been replaced by a new Member for the academic year 2025/26.

Members with lower attendance have confirmed their commitment and will remain on the committee for 2025/26.

### Internal control

#### Scope of responsibility

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

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

#### The purpose of the system of internal control

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

# Macclesfield College

## Governance Statement (continued)

### 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 on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

### The risk and control framework

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

- comprehensive budgeting 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.

Macclesfield College has an internal audit service, which operates in accordance with the requirements of the DfE's Post 16 Audit Code of Practice (replaced by the Framework and Guide for External Auditors and Reporting Accountants of College in March 2025). The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

As part of the ongoing evaluation of the corporation's financial and operational framework, key risks and control weaknesses are identified that could potentially affect the organisation's ability to meet its strategic objectives and maintain financial stability. The main risk to the College is cashflow management

**Risk:** Fluctuations in cash flow, particularly relating to the timing of grant income and expenditure cycles, can create periods of financial strain. Delays in receiving grants or mismatches between expenditure and cash inflows can result in liquidity issues.

**Control Weakness:** Current cash flow forecasting methods may not fully anticipate timing discrepancies between grant receipts and expenditure schedules, making it challenging to maintain sufficient liquidity during peak expenditure periods.

# Macclesfield College

## Governance Statement (continued)

**Strengthening Controls:** Enhanced Cash Flow Forecasting has developed more detailed and frequent cash flow forecasting that accounts for the timing of both income and expenditure, particularly focusing on the cyclical nature of grant funding.

### Review of effectiveness

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

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

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

The Accounting Officer and 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 Principal and senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

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

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

### Going concern

The College's financial position is "Requires Improvement" at the close of 2023/24 due to a number of factors detailed within the financial results section of this report however future forecasts based on increased student numbers which have been evidenced through the August 2024 enrolment period and increased DfE funding show the college recovering to "Good" for 2024/25 and beyond, considering all known factors on the college's financial position and cash flows.

# Macclesfield College

## Governance Statement (continued)

The college sets a budget based on curriculum planning and known factors at the time the plan which was approved by the corporation. The college regularly reviews its plan and reforecasts throughout the year to ensure the financial viability of the college and continued financial health.

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. Please refer to the going concern assessment within the Going Concern Policy on Page 47.

**Approved by order of the members of the Corporation on 9 December 2025 and signed on its behalf by:**

Signed by:



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**Ceri Johns**

**Chair**

DocuSigned by:



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**Rachel Kay**

**Accounting Officer**



# Macclesfield College

## Statement on the College's Regularity, Propriety and Compliance

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with DFE, and has considered its responsibility to notify DFE of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with DFE, and the DfE or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and DFE's bite size guides.

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

DocuSigned by:  
  
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**Rachel Kay**

**Accounting officer**

**9 December 2025**

## Statement of the Chair of Governors

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.

Signed by:  
  
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**Ceri Johns**

**Chair of Governors**

**9 December 2025**

# Macclesfield 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 corporation's grant funding agreements and contracts with 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)
- 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, 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 DFE's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by DFE, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the corporation, the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective

## Macclesfield College

### Statement of Responsibilities of the Members of the Corporation (continued)

management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from DfE, ESFA and other public bodies are not put at risk.

**Approved by order of the members of the Corporation on 9<sup>th</sup> December 2025 and signed on its behalf by:**

Signed by:  
  
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**Ceri Johns**

**Chair**

# Macclesfield College

## Independent auditor's report to the Corporation of Macclesfield College for the year ended 31 July 2025

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Macclesfield College (the 'College') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025, and of its income and expenditure, gains and losses and changes in reserves, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction issued by the Office for Students ('the OfS 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's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

## Macclesfield College

### Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the Department for Education requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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.

We have nothing to report in respect of the following matters in relation to which the Regulatory Advice 9: Accounts Direction issued by the Office for Students requires us to report to you if, in our opinion:

- where applicable, funds from whatever source administered by the provider for specific purposes have not been properly applied to those purposes and managed in accordance with relevant legislation; or
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Department for Education have not been applied in accordance with the relevant terms and conditions; or
- the requirements of the OfS's accounts direction have not been met; or
- the provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the College's expenditure on access and participation activities for the financial year has been materially misstated

# Macclesfield College

## Responsibilities of the Corporation

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

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and with ISAs (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

## Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the College, the environment in which it operates and the control procedures implemented by management and the Corporation; and
- Our enquiries of management and the Corporation about their identification and assessment of the risks of irregularities.

Based on our understanding of the College and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the College's operations;
- Compliance with the Framework and guide for external auditors and reporting accountants of colleges 2024 to 2025;

## Macclesfield College

- Compliance with the requirements of the Department for Education and the Office for Students; and
- Compliance with the requirements of the Office for Standards in Education

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Statement of Recommended Practice - Accounting for Further and Higher Education 2019 and the Framework and guide for external auditors and reporting accountants of colleges 2024 to 2025.

We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.

### Audit response to the risks identified

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the College and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit committee and the internal auditors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Department for Education, the Office for Students and the Office for Standards in Education; and
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.
- In testing journal entries, we looked at the following areas:
  - Fixed assets;
  - Stock;
  - Debtors;
  - Creditors; and
  - Wages.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

## Macclesfield College

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

### Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by Department for Education and our engagement letter.

Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Wbg (Audit) Limited

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**Wbg (Audit) Limited**

Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

Date: 9 December 2025



# Macclesfield College

## Reporting accountant's assurance report on regularity

### **To: The corporation of Macclesfield College and Secretary of State for Education, acting through the Department for Education (DfE)**

In accordance with the terms of our engagement letter 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 Macclesfield College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

### **Respective responsibilities of Macclesfield College and the reporting accountant**

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

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

### **Approach**

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

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

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

## Macclesfield College

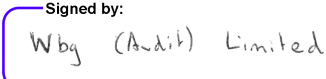
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

### Conclusion

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

Signed by:  
  
2A4E408DA5B14D1...  
**Wbg (Audit) Limited**

Statutory Auditors

168 Bath Street

Glasgow

G2 4TP

Date: 9 December 2025

# Macclesfield College

## COLLEGE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 July 2025

### Consolidated and College Statements of Comprehensive Income

For the year ended 31 July 2025

	Notes	2025 College £'000	2024 College £'000
<b>INCOME</b>			
Funding body grants	2	12,472	10,990
Tuition fees and education contracts	3	997	830
Research grants and contracts	4	-	-
Other income	5	1,006	1,055
Investment income	6	168	123
<b>Total income</b>		<b>14,644</b>	<b>12,999</b>
<b>EXPENDITURE</b>			
Staff costs	7	8,743	7,985
Restructuring costs	7	9	20
Other operating expenses	8	3,846	4,177
Depreciation	10&11	1,131	954
Interest and other finance costs	9	76	88
<b>Total expenditure</b>		<b>13,805</b>	<b>13,224</b>
<b>Surplus / (Deficit) before other gains and losses</b>		<b>839</b>	<b>(225)</b>
Profit on disposal of tangible fixed assets	10&11	-	-
<b>Surplus / (Deficit) for the year</b>		<b>839</b>	<b>(225)</b>
Remeasurement of net defined benefit pension liability		(433)	(382)
<b>Total Comprehensive Income for the year</b>		<b>406</b>	<b>(607)</b>

All items of Income and expenditure relate to continuing activities.

# Macclesfield College

## COLLEGE BALANCE SHEET AS AT 31 JULY 2025


### Consolidated and College Balance Sheets as at 31 July 2025

	Notes	College 2025 £'000	College 2024 £'000
<b>Fixed assets</b>			
Tangible assets	11	18,468	16,220
Intangible assets	10	61	31
Investments		-	-
		<b>18,529</b>	<b>16,251</b>
<b>Current assets</b>			
Stocks		15	15
Debtors	12	876	702
Investments		-	-
Cash at bank and in hand	17	812	562
		<b>1,703</b>	<b>1,279</b>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	13	(2,565)	(2,875)
		<b>(862)</b>	<b>(1,596)</b>
<b>Net current assets</b>			
		<b>17,667</b>	<b>14,655</b>
<b>Total assets less current liabilities</b>			
Creditors – amounts falling due after more than one year	14	(15,573)	(12,962)
<b>Provisions for liabilities</b>			
Defined benefit pension schemes	20	-	-
Other provisions	16	(131)	(135)
		<b>1,963</b>	<b>1,556</b>
<b>Total net assets</b>			
<b>Unrestricted reserves</b>			
Income and expenditure reserve		944	537
Revaluation reserve		1,019	1,019
		<b>1,963</b>	<b>1,556</b>

The financial statements on pages 44 to 74 were approved and authorised for issue by the Corporation on 9 December 2025 and were signed on its behalf on that date by:

Signed by:  
  
 528932E03B2F47D...  
**Ceri Johns**

**Chair**

DocuSigned by:  
  
 7A2D8102E29845F...  
**Rachel Kay**

**Accounting Officer**

# Macclesfield College

## COLLEGE STATEMENT OF CHANGES IN RESERVES

For the year ended 31 July 2025

### Consolidated and College Statements of Changes in Reserves

For the year ended 31 July 2025

	Income and Expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
<b>College</b>			
<b>Balance at 1st August 2023</b>	1,145	1,019	2,164
Surplus / (deficit) for the year	(225)	-	(225)
Other comprehensive income	(382)	-	(382)
Transfers between revaluation and income and expenditure reserves	-	-	-
	(607)	-	1,557
<b>Balance at 31st July 2024</b>	<b>538</b>	<b>1,019</b>	<b>1,557</b>
Surplus / (deficit) for the year	839	-	839
Other comprehensive income	(433)	-	(433)
Transfers between revaluation and income and expenditure reserves	-	-	-
<b>Total comprehensive income for the year</b>	<b>406</b>	<b>-</b>	<b>406</b>
<b>Balance at 31st July 2025</b>	<b>944</b>	<b>1,019</b>	<b>1,963</b>

# Macclesfield College

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2025

	Notes	2025 £'000	2024 £'000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		839	(225)
<b>Adjustment for non-cash items</b>			
Depreciation		1,115	945
Amortisation		16	9
Pensions costs less contributions payable		(265)	(259)
Other - EPP Pension costs less contributions payable		(17)	(16)
Release of government grants		(794)	(725)
<b>Total non-cash adjustments</b>		<b>55</b>	<b>(46)</b>
(Increase)/decrease in stocks		-	
Increase in debtors		(174)	41
Increase in creditors due after one year		(459)	
Decrease in creditors due within one year		49	492
<b>Total working Capital</b>		<b>(584)</b>	<b>533</b>
<b>Adjustment for investing or financing activities</b>			
Interest & Investment income		(168)	(123)
Interest payable		76	88
<b>Total investing and financing activities</b>		<b>(93)</b>	<b>(35)</b>
<b>Net cash flow from operating activities</b>		<b>217</b>	<b>226</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	
Disposal of non-current asset investments		-	
Payments made to acquire fixed assets		(3,456)	(2,257)
Receipts of capital grants		3,708	1,571
<b>Net cash flow from Investing Activities</b>		<b>252</b>	<b>(686)</b>
Withdrawal of deposits			
New deposits			
<b>Cash flows from financing activities</b>			
Interest & Investment income		11	123
Interest paid		(76)	(88)
Repayments of amounts borrowed		(154)	(136)
<b>Net cash flow from financing activities</b>		<b>(219)</b>	<b>(101)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>250</b>	<b>(561)</b>

# Macclesfield College

## Notes to the Accounts

### 1. Accounting Policies

#### General Information

Macclesfield College is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 3. The nature of the College's operations is set out in the Report of the Governing Body.

#### Basis of accounting

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 2024-5 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 consolidated financial statements are presented in sterling, which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### Going concern

The activities of the College, together with the factors likely to affect its future development and performance, are set out in the Members' Report. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying Notes. The College has adequate cash resources for the next 12 months and beyond.

The College's Financial Plan for 2025/2026 and 2026/27 demonstrate Good Financial Health. 16-19 numbers have increased, with enrolment figures in 2025/26 expected to trigger an in-year growth payment.

Furthermore, apprenticeship income has remained strong and continues to represent a significant revenue stream for the College moving forward.

16-18 funding is 'guaranteed' through the lagged funding system for 2025/26; for 2026/27 funding is assumed to continue on the same basis using the lagged system, and so numbers and funding at this point are not confirmed.

The College primarily meets its day to day working capital requirement through cash generated from its day-to-day operations. It also has a fixed loan facility with Allied Irish Bank which as at 31 July 2025 had a balance of 719k, due for repayment over a remaining period of 4 years.

The College's Statement of Financial Position demonstrates a strengthened balance sheet as at 31 July 2025, with total net assets of £1.964m, an uplift of £407k compared with £1.556m in the prior year.

## Macclesfield College

This reflects continued capital investment across the estate, incremental improvement in working capital, and sustained progress in reducing the deficit on short-term operating activities.

### Fixed Assets

Tangible and Intangible Assets

Total fixed assets increased from £16.250m to £18.530m, representing an uplift of £2.280m year-on-year.

- Tangible fixed assets rose by £2.249m, driven by continued investment in campus development, learning environments, and digital infrastructure.
- Intangible assets increased by £31k, reflecting investment in systems and software supporting operational efficiency and digital transformation.

These investments are aligned with the College's strategic estate plan and long-term curriculum delivery priorities.

### Current Assets

Current assets increased to £1.704m from £1.279m, an uplift of £425m, demonstrating positive cash and debtor movements.

- Debtors increased by £174k, largely owing to timing of funding receipts and commercial activity invoicing cycles.
- Cash and cash equivalents improved by £250k, evidencing stronger in-year cash management and improved operational liquidity.
- Stock levels remained stable at £15k.

The overall position indicates enhanced liquidity compared to the prior year, although the College continues to operate within a tight working capital environment.

### Current Liabilities

Current liabilities reduced from £2.875m to £2.565m, a favourable movement of £310k.

This reduction primarily reflects timing changes in trade creditors and the settlement of short-term obligations. The improvement also aligns with better cash flow forecasting and prioritisation of payment schedules to maintain operational resilience.

### Net Current Assets / (Liabilities)

Net current liabilities improved significantly from £1.596m in 2024 to £861k in 2025, a positive movement of £734k.

While the College continues to report a net current liability position, the year-on-year improvement demonstrates strengthened liquidity management and enhanced oversight of short-term commitments.



# Macclesfield College

## Longer-Term Liabilities

Creditors falling due after more than one year increased by £2.611m, rising from £12.962m to £15.573m

This movement reflects additional long-term financing drawn to support estate investment and strategic capital enhancements. The College continues to service these liabilities in line with agreed repayment profiles, and debt levels remain aligned to sector norms for capital-intensive delivery models.

## Provisions

Provisions reduced marginally from £135k to £131k, a movement of £4k. The provision relates to long-standing enhanced pension obligation. Defined benefit pension provision is recorded, following treatment under FRS 102 for LGPS liabilities.

## Reserves Position

Total unrestricted reserves increased from £1.557m to £1.964m, an improvement of £408k.

- The Income and Expenditure Reserve increased by £407k, reflecting the operating surplus achieved in-year.
- The Revaluation Reserve remained static at £1.019m.

The growth in reserves reinforces the College's trajectory towards long-term financial sustainability.

The Balance Sheet as at 31 July 2025 illustrates a positive movement across all key financial metrics, underpinned by disciplined financial stewardship and continued strategic investment. The improvement in net assets, strengthened liquidity, and enhancement of the fixed asset base collectively demonstrate the College's ongoing commitment to delivering a financially sustainable provision for learners, employers, and the wider community.

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 these risks.

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

## Recognition of income

### Revenue Grant Funding

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year-end reconciliation process with the funding body following the year-end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

## **Macclesfield College**

Apprenticeships income is measured in line with best estimates of the provision delivered in the year.

The recurrent grant from the Office for Students represents the funding allocation attributable to the current financial year and is recognised when received or receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the performance-related conditions have been met and the grant will be received. Income received in advance of performance-related conditions being met is recognised as a liability.

### **Capital Grant Funding**

Government capital grants for assets are accounted for under the accrual model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

### **Other Income**

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees, including employer funding for co-investment funded apprenticeships, is recognised over the period for which it is received. All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

### **Agency arrangements**

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

### **Accounting for post-employment Benefits**

Post-employment benefits paid to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

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 the Government Actuary on the basis of valuations using a projected unit method.

The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

## **Macclesfield College**

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

### **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. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

### **Enhanced Pensions**

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

### **Fixed Asset Investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statements of the college.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in comprehensive income.

### **Tangible Fixed Assets**

Tangible fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses.

#### *Land and buildings*

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

#### *Equipment*

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

## Macclesfield College

### *Depreciation and residual values*

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Freehold buildings – over periods up to 40 years
- Building improvements – 10 years
- Technical equipment – 5 years
- Motor vehicles – 4 years
- Computer equipment - 3 years
- Furniture, fixtures and fittings - 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

### **Non-Current Assets – Intangible Assets**

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to the statement of comprehensive income on a straight-line basis over their useful lives, and for purchased computer software, this is six years.

### *Impairments of fixed assets*

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of appropriate discount rates in order to calculate the net present value of those cash flows.

## **Macclesfield College**

### *Borrowing costs*

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

### *Leased assets*

All leases are operating leases and annual rents are charged to comprehensive income on a straight-line basis over the lease term.

### **Stock**

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

### **Cash and Cash Equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts.

### **Financial Instruments**

The College has chosen to adopt Sections 11 and 12 of FRS102 in full in respect of financial instruments.

### *Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **Macclesfield College**

### **De-recognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **Taxation**

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

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

### **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 the amount of the obligation can be reliably measured.

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

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

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

### **Critical accounting judgements and estimation uncertainty**

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.

## Macclesfield College

### *Critical areas of judgement*

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

Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

### *Critical accounting estimates and assumptions*

- Tangible fixed assets

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

- Local Government Pension Scheme

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

The actuarial valuation for 31 July 2025 is reporting a £3.076M surplus however the college is not reporting this as an asset as the college is unable to realise this amount either through refund from the pension scheme or a reduction in future contribution rates. The provision is therefore reported at nil value on the balance sheet as at 31 July 2025.

# Macclesfield College

## 2 Funding body grants

	2025 College £'000	2024 College £'000
<b>Recurrent grants</b>		
Education and Skills Funding Agency – adult	616	463
Education and Skills Funding Agency – 16 -18	8,028	7214
Education and Skills Funding Agency - apprenticeships (funded)	2,977	2554
Office for Students	40	51
<b>Specific Grants</b>		
Releases of government capital grants	450	337
T Level Specialist Equipment grant	59	50
T Level Employer Support Fund	0	17
Turing Grant	0	88
Teacher Pension Scheme Contribution grant	300	215
HE grant	2	2
<b>Total</b>	<b>12,472</b>	<b>10,990</b>

## 3 Tuition fees and education contracts

	2025 College £'000	2024 College £'000
Adult education fees	288	379
Apprenticeship fees and contracts	20	35
Fees for FE loan supported courses	101	0
Fees for HE loan supported courses	9	0
<b>Total tuition fees</b>	<b>418</b>	<b>414</b>
Education contracts	579	416
<b>Total</b>	<b>997</b>	<b>830</b>

## 4 Research grants and contracts

	2025 College £'000	2024 College £'000
Estates Remedial Works	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



Macclesfield College

5 Other income

	2025 College £'000	2024 College £'000
Catering and residences	341	294
Other income generating activities	296	189
Other grant income	283	339
Misc income	87	234
Total	1,006	1,055

6 Investment income

	2025 College £'000	2024 College £'000
FRS 102 Income	160	112
Other interest receivable	8	11
	168	123

## Macclesfield College

### 7 Staff costs and key management personnel remuneration - College

The average number of persons (including key management personnel) employed by the College during the year, expressed as average head count, was:

	2025 No.	2024 No.
Teaching staff	90	76
Non teaching staff	165	160
	<b>255</b>	<b>236</b>
<b>Staff costs for the above persons</b>		
	2025 £'000	2024 £'000
Wages and salaries	6,226	6,007
Social security costs	659	536
Other pension costs	1,552	1,078
<b>Payroll sub-total</b>	<b>8,437</b>	<b>7,621</b>
Contracted out staffing services	306	364
	<b>8,743</b>	<b>7,985</b>
Restructuring costs - Contractual	9	20
Non-contractual		
	<b>8,752</b>	<b>8,005</b>

### Key management personnel compensation

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 Executive Leadership Team which comprises the Principal & Chief Executive, Deputy Principal and the Director of Finance and Estates. Staff costs include compensation paid to key management personnel for loss of office.

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

	2025 No.	2024 No.
The number of key management personnel including the Accounting Officer was:	3	3

# Macclesfield College

## 7 Staff costs and key management personnel remuneration - College (continued)

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

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,001 to £65,000	1	1	-	-
£65,001 to £70,000	-	-	-	-
£80,001 to £85,000	1	-	-	-
£85,001 to £90,000	-	1	-	-
£135,001 to £140,000	-	-	-	-
£145,001 to £150,000	-	-	-	-
£150,001 to £155,000	-	1	-	-
£155,001 to £160,000	1	-	-	-
	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2025 £'000	2024 £'000
Salaries - gross of salary sacrifice and waived emoluments	303	314
Benefits in kind	-	-
Employer's National Insurance	42	34
	<u>345</u>	<u>348</u>
Pension contributions	76	77
<b>Total key management personnel compensation</b>	<u><b>421</b></u>	<u><b>426</b></u>

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

The above emoluments includes amounts payable to the Accounting Officer (who is also the highest paid of key management personnel) of:

	2025 £'000	2024 £'000
Salaries paid to Mrs R Kay	159	154
Benefits in kind	-	-
Employer's National Insurance	22	20
	<u>181</u>	<u>174</u>
Pension contributions	38	38
<b>Total</b>	<u><b>220</b></u>	<u><b>211</b></u>

The pension contributions in respect of the Principal and key management personnel are in respect of employer's contributions to the Local Government Pension Scheme and the Teachers Pension Scheme and are paid at the same rate as for other employees.

	2025 £'000	2024 £'000
Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple		
Principal's basic salary as a multiple of the median of all staff	6.41	5.88
Principal and CEO's total remuneration as a multiple of the median of all staff	8.50	8.08

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.

## Macclesfield College

### 8 Other operating expenses

	2025 College £'000	2024 College £'000
Teaching costs	1,396	1,823
Non-Teaching costs	1,476	1,474
Premises costs	973	880
Subcontractor costs	0	0
<b>Total</b>	<b>3,846</b>	<b>4,177</b>

	2025 £'000	2024 £'000
<b>Surplus / (deficit) before taxation is stated after</b>		
Auditors' remuneration:		
- Financial statements audit	22	26
- Internal audit	15	14
- Operating lease rentals	1	5

### 9 Interest payable and other finance costs - College

	2025 £'000	2024 £'000
Interest on Bank Loans	69	81
Other Interest Receivable	-	-
	69	81
Net interest on defined pension liability (Note 22)		
Net Interest LGPS	-	-
Net Interest Enhanced Pension	7	7
<b>Total</b>	<b>76</b>	<b>88</b>

## Macclesfield College

### 10 Intangible fixed assets

	Computer Software	Total
	£'000	£'000
<b>Cost</b>		
At 1 August 2024	79	79
Additions	46	46
Transfers	-	-
Disposals	-	-
<b>At 31 July 2025</b>	<b>125</b>	<b>125</b>
<b>Amortisation</b>		
At 1 August 2024	48	48
Charge for the year	16	16
Transfers	-	-
Elimination in respect of disposals	-	-
<b>At 31 July 2025</b>	<b>64</b>	<b>64</b>
<b>Net book value at 31 July 2025</b>	<b>61</b>	<b>61</b>
Net book value at 31 July 2024	31	31

### 11 Tangible fixed assets

	Land and buildings Freehold £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost or valuation</b>				
At 1 August 2024	23,219	2,908	2,259	28,386
Additions	93	74	3,244	3,410
Transfers	4,577	879	(5,503)	(46)
Disposals	-	-	-	-
<b>At 31 July 2025</b>	<b>27,889</b>	<b>3,861</b>	<b>(0)</b>	<b>31,750</b>
<b>Depreciation</b>				
At 1 August 2024	9,611	2,554	-	12,166
Charge for the year	845	271	-	1,115
Transfers	-	-	-	-
Elimination in respect of disposals	-	-	-	-
<b>At 31 July 2025</b>	<b>10,456</b>	<b>2,825</b>	<b>-</b>	<b>13,281</b>
<b>Net book value at 31 July 2025</b>	<b>17,433</b>	<b>1,036</b>	<b>-</b>	<b>18,468</b>
Net book value at 31 July 2024	13,608	353	2,259	16,220

Land and the ECAT building were valued on 31 July 2006 by Dixon Webb, Chartered Surveyors, in accordance with the RICS Statements of Asset Valuation Practice at existing use value as specialised properties and were assessed on a depreciated cost basis. Included in the re-valued Land and Buildings is an amount of £800,000 relating to the land which is not depreciated

## Macclesfield College

### 12 Debtors

	2025 College £'000	2024 College £'000
Amounts falling due within one year:		
Trade debtors	43	16
Prepayments and accrued income	395	333
Amounts owed by the ESFA	438	353
<b>Total</b>	<b>876</b>	<b>702</b>

### 13 Creditors: amounts falling due within one year

	2025 College £'000	2024 College £'000
Bank loans and overdrafts <1yr	164	154
Trade creditors	555	559
Other taxation and social security	318	272
Accruals and deferred income	534	952
Government grants (capital) <1yr	995	856
Amounts owed to the ESFA	0	82
<b>Total</b>	<b>2,565</b>	<b>2,875</b>

### 14 Creditors: amounts falling due after one year

	2025 College £'000	2024 College £'000
Bank loans >1yr	556	719
Government grants (capital) >1yr	15,018	12,243
<b>Total</b>	<b>15,573</b>	<b>12,962</b>

## Macclesfield College

### 15 Maturity of debt

#### (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2025 College £'000	2024 College £'000
In one year or less	164	154
Between one and two years	174	164
Between two and five years	382	556
In five years or more	-	-
<b>Total</b>	<b>719</b>	<b>873</b>

The bank loan at 8.4325% repayable by instalments falling due between 1 August 2015 and 1 May 2029 totalling £1,621,339 is secured on Macclesfield College Campus, Park Lane, Macclesfield, SK11 8LF.

### 16 Provisions for liabilities

	Defined benefit obligati £'000	Enhance d pension £'000	Total £'000
At 1 August 2024	-	135	135
Utilised in the year	784	(17)	767
Additional provision in the year			-
Reversed in the year	(784)	13	(771)
<b>At 31 July 2025</b>	<b>0</b>	<b>131</b>	<b>131</b>

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

The principal assumptions for this calculation are:

	2025	2024
Pension Increase Rate	2.8%	2.8%
Salary Increase Rate	3.5%	3.5%
Discount rate	5.8%	5.0%

### 17 Cash and cash equivalents

	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	562	250	-	812
Overdrafts	-	-	-	-
<b>Total</b>	<b>562</b>	<b>250</b>	<b>0</b>	<b>812</b>

# Macclesfield College

## 18 Capital commitments

	2025 £'000	2024 £'000
Commitments contracted for at 31 July	-	1,411

## 19 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases as follows:

	2025 £'000	2024 £'000
<b>Payments due</b>		
Not later than one year	1	5
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>1</u>	<u>5</u>

## 20 Retirement benefits

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 Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are multi-employer defined-benefit plans.

Total pension cost for the year	2025 £'000	2024 £'000
Teachers' Pension Scheme: contributions paid	1,033	576
Local Government Pension Scheme:		
Contributions paid	784	761
FRS 102 (28) charge	(265)	(259)
Charge to the Statement of Comprehensive Income	<u>519</u>	<u>502</u>
Enhanced pension charge to Statement of Comprehensive Income	-	-
<b>Total Pension Cost for Year within staff costs</b>	<u><b>1,552</b></u>	<u><b>1,078</b></u>



## Macclesfield College

### 20 Retirement benefits

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 Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are multi-employer defined-benefit plans.

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions paid	1,033	576
Local Government Pension Scheme:		
Contributions paid	784	761
FRS 102 (28) charge	(265)	(259)
Charge to the Statement of Comprehensive Income	519	502
Enhanced pension charge to Statement of Comprehensive Income	-	-
<b>Total Pension Cost for Year within staff costs</b>	<b>1,552</b>	<b>1,078</b>

### 20 Retirement benefits (continued)

#### Local Government Pension Scheme

##### Principal Actuarial Assumptions

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.5%	3.5%
Future pensions increases	2.8%	2.8%
Discount rate	5.8%	5.0%
Commutation of pensions to lump sums	65%	65%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	At 31 July 2025	At 31 July 2024
	years	years
<i>Retiring today</i>		
Males	20.4	20.2
Females	24.1	24.1
<i>Retiring in 20 years</i>		
Males	24.4	21.2
Females	25.7	25.7

## Macclesfield College

### 20 Retirement benefits (continued)

#### Local Government Pension Scheme (Continued)

The College's share of the assets in the plan at the balance sheet were:

	<b>Fair Value of assets</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Equity instruments	9,250	8,608
Debt instruments	7,362	6,197
Property	2,265	2,066
Cash	-5,959	-2,732
<b>Total fair value on plan</b>	<b>12,918</b>	<b>14,139</b>
<b>Actual return on plan assets</b>	<b>141</b>	<b>468</b>

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

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	519	512
Past service cost	-	-
Net interest on the net defined benefit pension liability	- 160	- 112
<b>Total</b>	<b>359</b>	<b>400</b>

# Macclesfield College

## 20 Retirement benefits (continued)

### Local Government Pension Scheme (Continued)

	2025 £'000	2024 £'000
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	14,139	13,204
Current service cost	519	512
Past service cost	-	-
Interest cost	716	677
Contributions by scheme participants	221	204
Experience gains and losses on defined benefit obligations	-	-
Benefits paid	(360)	(309)
Plan introductions, changes, curtailments and settlements	(2,317)	(149)
<b>Defined benefit obligations at end of period</b>	<b>12,918</b>	<b>14,139</b>
<b>Changes in fair value of plan assets</b>		
<b>Fair value of plan assets at start of period</b>	17,215	15,292
Interest income	876	789
Return on plan assets (excluding net interest on the net defined benefit)	141	468
Experience gains and losses on defined benefit assets	-	-
Employer contributions	784	771
Contributions by scheme participants	221	204
Estimated benefits paid	(360)	(309)
Remeasurement: curtailment of surplus	(5,959)	(3,076)
<b>Fair value of plan assets at end of period</b>	<b>12,918</b>	<b>14,139</b>

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension (GMP) equalisation between men and women, which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Service Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision / liability has been recognised.

Macclesfield College

21 Amounts disbursed as agent

Learner support funds	2025 £'000	2024 £'000
Funding body grants – 16-19 bursary support	319	225
Other Funding body grants		
Interest earned		
	<u>319</u>	<u>225</u>
Disbursed to students	(240)	(188)
Administration costs	(16)	(12)
	<u>63</u>	<u>25</u>
Balance unspent as at 31 July, included in creditors		

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 Statement of Comprehensive Income.

22 Related party transactions

No governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2024: None).

Transactions with associates

The Macclesfield Academy

The College is the sponsor for Macclesfield Academy, a company limited by guarantee and an exempt charity. The College charged The Macclesfield Academy £1,388 (2024: £912). This represents the cost of postage charges. The amount outstanding, included within debtors at 31 July 2025 was £19 (2024: £54).

The college paid the Macclesfield Academy £15,382 (2024: £11,268) for Sports Hall recharges. There were no amounts outstanding as at 31 July 2025.

Park Lane School

The College charged Park Lane School £500 (2024: £nil). In 2023 this represented the costs of the Estates Manager’s salary and water charges. There were no amounts outstanding as at 31 July 2025 (2024: £nil).

North Cheshire Chamber of Commerce

The College paid £3,330 (2024: £6,930) for patronage, sponsorship and chamber member fees. There were no amounts outstanding as at 31 July 2025 (2024: £nil).

## **Macclesfield College**

### **East Cheshire NHS Trust**

The College charged East Cheshire NHS Trust £2,330. This represents the cost of Tuition fees. The amount outstanding, included within debtors at 31 July 2025 was £nil (2024: £8,120)

### **Astra Zenica (UK) Ltd**

The College paid £2,500 (2024: £nil) for employer incentives. There were no amounts outstanding as at 31 July 2025 (2024: £nil).

The College charged Astra Zenica (UK) Ltd £55,100. This represents the cost of course fees. There were no amounts outstanding at 31 July 2025

Key management compensation disclosure is given in Note 7

### **23 Events after the reporting period**

There are no events after the reporting period.