

TRURO AND PENWITH COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2025



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TRURO AND PENWITH COLLEGE REFERENCE AND ADMINISTRATIVE DETAILS

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

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

Martin Tucker – Principal and CEO; Accounting Officer
Adele Bull – Director of People, Culture & Curriculum
Hayley McKinstry – Director of Business Partnerships & Skills
Jane Cashmore – Director of Operations (retired 31 August 2025)
Lisa Briscoe – Director of Student Experience
Lucy Maggs – Director of Quality
Lucy Langdon – Chief Finance Officer
Vicky Pearson – Director of Learning, Assessment & Support

Board of Governors

A full list of Governors is given on pages 15-17 of these financial statements.

Professional Advisers:

Financial Statement & Regularity Auditors:	Bishop Fleming Audit Limited	Chy Nyverow Newham Road Truro
Internal Auditors:	Validera Ltd	Unit 3 Crompton Court Attwood Road Burntwood Staffordshire
Bankers:	HSBC	17 Boscawen Street Truro
Solicitors:	Michelmores	Woodwater House Pyne's Hill Exeter
	Stephens Scown	3 Cross Lane St Austell
	Ramsay Paterson	Lynwood Newland Garden Sherborne

TRURO AND PENWITH COLLEGE STRATEGIC REPORT

OBJECTIVES AND STRATEGY

The Members of Truro and Penwith College Corporation are pleased to present their report and audited financial statements covering the year ended 31 July 2025.

Legal Status

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

Mission

“The purpose of the College is to provide the best possible learning experience, leading to the highest possible level of achievement by our students.”

Public Benefit

Truro and Penwith College Corporation is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 15-17.

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
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with the Local Enterprise Partnership (LEP)

Implementation of Strategic Plan

In September 2024 the College developed a Strategic Plan for the period 2024/25 to 2026/27. The Corporation has monitored the performance of the College against its Strategic Plan which is reviewed and updated each year.

The College’s key continuing strategic objectives are:

- To increase student recruitment across all areas of the curriculum and to be the college of choice in Cornwall.
- Develop financial resilience and a stable budgetary position to enable continued investment in the quality of education provided by the College.
- Maintain a high-quality and sustainable college estate that meets the needs of all learners and staff.
- Deliver a high-quality personal development offer for all students, that develops the skills and confidence required for future success and progression.

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

- Ensure that the College meets the needs of all local employers and continues to develop strong external partnerships.
- Improve overall student outcomes including the percentage of high grades awarded across all provision types.
- Develop and implement a People Strategy that enables the College to recruit and maintain a cohesive, motivated and productive workforce that can deliver outstanding education.
- Establish a clear environmental sustainability strategy

Attainment of Objectives – 2024/25

The College was mostly successful in 2024/25 in meeting the objectives for the year, despite the continued impact of external factors:

- The total number of FT 16-18 students remained mostly static, due to the ongoing impact of demographics and competitors across the county including Callywith College, who continue to expand its student enrolment from the north and east of the county.
- HE recruitment also remained static with the help from continued interest in the Nursing and Allied Health courses.
- The range of work undertaken to meet the needs of local employers and their employees has grown; for example we act as lead on two Skills Development projects designed to develop and grow programmes in technical skills and build collaborative relationships with local businesses. During the year we have seen a further increase in Apprenticeship starts.
- Investment has continued in the College's capital development partly due to increased capital funding.
- Excellent levels of achievement were maintained (see further details below), with the continued effects on students who experienced disruption in their secondary education due to Covid.
- The College's financial position remains challenging with the impact of costs increasing at a greater rate than income however work undertaken in year has improved the prospects for future financial stability (see further details below).
- Changes to the adult funding formula and devolution are inevitably impacting on the numbers of learners aged over 19, however recruitment remains stable.
- Enrolments by students funded by the Government's Advanced Learning Loans programme continue to fall.

Resources

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

The College employed an average of 801 people (expressed as full-time equivalents), of whom 389 were teaching staff. Support staff numbers include 80 Learning Support Assistants who provide 1:1 support for students in the College's specialist Progression Pathway provision.

During the year ended 31 July 2025 the College enrolled approximately 8,881 students. The College's student population includes 5,365 16 to 18-year-old students, 814 apprentices, 319 higher education students and 2,383 adult learners.

The College has £56.3 million of net assets (with £NIL pension liability) and does not have any debts.

STRATEGIC REPORT (CONTINUED)

Tangible resources include all College sites and equipment with a current net book value of £95.0 million (excluding the infrastructure and land leased to Callywith College) and financial investments valued at £3.9 million at 31 July 2025.

Reputation

The College has an excellent reputation locally and nationally, retaining Ofsted Outstanding in the latest inspection of 2016 and gaining a Silver TEF Award for HE provision in 2024. The quality of the College provision has enabled a host of partnership working including the Cornwall SCITT Lead, the Maths Hub for Cornwall and West Devon and Computer Hubs. These initiatives result in the College working cross phase with many schools in Cornwall and further afield in the South West of England. The College is also the only Cornish provider of the South West Institute of Technology. The College also sponsors a Multi Academy Trust – Truro and Penwith Academy Trust and a 16-19 Free School – Callywith College.

Stakeholders

The College has many stakeholders including:

- Its current, future and past students
- Staff
- Parents
- Cornwall SCITT – Note 27 to the Financial Statements
- Truro and Penwith Academy Trust – Note 28 to the Financial Statements
- Callywith College Trust – Note 29 to the Financial Statements
- Local schools
- Department for Education
- Office for Students
- The FE Commissioner
- Local employers
- Cornwall Council
- Government Offices
- Cornwall Chamber of Commerce
- The local community
- Other FE institutions
- University of Plymouth
- University of Greenwich
- Other universities
- Royal Cornwall Hospitals NHS Trust
- South West Institute of Technology
- Trade unions
- Professional bodies

DEVELOPMENT AND PERFORMANCE

Financial Results

The College generated an underlying operating deficit in the year of £4,066,000 (2024/25: deficit of £4,705,000) before other gains and losses. Minor adjustments arising from the implementation of FRS102, including changes in the value of the Local Government Pension Fund, together with gains and losses on both the value of non-current financial investments and disposals of related assets, have minimal impact upon the operating deficit and total comprehensive loss as set out on page 34 of the Financial Statements.

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

The table below sets out these adjustments and reconciles total comprehensive income to the operating deficit.

	Yr Ended 31 Jul 25 £'000	Yr Ended 31 Jul 24 £'000
Total Comprehensive Income and Expenditure	(3,049)	(4,003)
Actuarial (Gain)/Loss in respect of Pension Schemes	268	110
Surplus/(Deficit) before tax	(2,781)	(3,893)
Loss/(Gain) on Investments	(3)	(338)
Gain on Disposal of Assets	(1,073)	(423)
Deficit before other losses and gains	(3,857)	(4,654)
FRS 102 adjustments to Staff Costs in respect of Pension Schemes	(268)	55
FRS 102 adjustments to Interest Payable in respect of Pension Schemes	0	(165)
Transfers from Revaluation Reserve	59	59
Underlying Operating Surplus/(Deficit)	(4,066)	(4,705)

Governors acknowledge the efforts of the Key Management personnel and the staff in ensuring that the College is focussed on operating in the most cost-effective way in the current climate of financial pressures faced by the sector.

Developments

Tangible fixed asset additions amounted to £3,585,000. This related to equipment purchases of £1,716,000, building developments on the existing campuses at Truro and Penwith College of £1,733,000, including works and fees in relation to the completion of the extension of the Seaton building in Truro.

Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. For 2024/25 the various funding streams from the DFE and the OFS totalled £36,893,000 which represented 75% of the College's total income.

Subsidiary Companies

The College does not have any subsidiary companies other than Truro and Penwith College Trust Fund (see note 26 to the Financial Statements).

FINANCIAL POSITION

Financial Objectives

The overall objective for the College is to remain financially sound in order to be able to deliver its strategic planned objectives listed below. A series of performance indicators have been agreed against which to monitor the successful implementation of the policies with the aim of returning to a Financial Health Grade for the College of 'Outstanding' status as assessed by the Department for Education (DFE).

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

Specifically, these objectives will be achieved by:

- achieving an operating surplus
- achieving an annual EBITDA surplus of 6% of turnover
- maintaining at least 40 cash days in hand
- sustaining a current ratio of 2.0
- limiting borrowing as a percentage of net assets to 20%
- pursuing alternative sources of funding
- funding continued capital investment through established reserves and borrowing

Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Commissioner and Department for Education (“DFE”) benchmarks as KPIs and completes the annual Finance Record annually for the DFE. The College is expected to be assessed as having a “Requires Improvement” financial health grading due to not meeting the EBITDA KPI, however exceeded the cash days KPI. The strategic objective was set to return the College to an operating surplus position by 2026/27 with ongoing performance indicators to monitor progress. Following a restructure process in the 2024/25 academic year, the College has set an operational budget with a small surplus outturn for the 2025/26 academic year, which would return the College to “Good” financial health score and exceed the EBITDA KPI along with the cash days KPI. The College continues to have no debt.

FUTURE PROSPECTS

Financial plan

The College governors approved a financial plan in July 2025, that sets objectives for the period to 2027 and projected small operating surpluses of between £109,000 and £330,000 per annum for the years 2025/26 and 2026/27 respectively. If achieved this would result in a “Good” financial health grading for the next year and “Outstanding” in the following year. The strategic plan has been agreed by the governors as it aims to deliver on the College achieving an operational surplus position ahead of target dates.

Treasury Policies and Objectives

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

The College has a separate treasury management policy in place. The College does not currently borrow money, but should the need arise, short-term borrowing for temporary revenue purposes would be authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash Flows and Liquidity

Operating cash outflow was £723,000 (2024: outflow £984,000) for the year. The continued reduction reflects the College’s ongoing challenge in the management of operational resources within the current climate of reduced public funding, increased operational and staffing costs. Changes implemented during the 2024/25 year and budget set for 2025/26 are forecast to return the College to a sustainable cash inflow position.

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in maintaining financial stability, supporting core activities and enabling investment. The College will use its cash balances to fund future capital projects and to continue to invest in its existing campuses. As at the balance sheet date the Income and Expenditure reserve was as follows:

	2024/25	2023/24
Non-current assets	98,925,000	101,114,000
Net current (liabilities)	(381,000)	(287,000)
Pension liability	-	-
Other long-term liabilities	(42,255,000)	(41,290,000)
Income and Expenditure reserve	(56,289,000)	(59,537,000)

Going Concern

The College continues to maintain a solid balance sheet despite reporting net current liabilities of £381,000 (2024: £287,000) due to £3.9 million in managed investments and no borrowing. The planned level of capital expenditure has been included in cashflow forecasts over the short to medium term along with expectations relating to student numbers and staffing levels.

After making appropriate enquiries and reviewing the College current performance along with the indicated strategic and financial plans and risk management, 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.

CURRENT PERFORMANCE

Truro and Penwith College saw over 2000 combined A Level entries in 2024-2025, significantly more than any other A Level provider in Cornwall. Students achieved a 99% pass rate and 172 A* grades, more than double the national average for General Further Education (GFE) colleges. Almost a quarter of students achieved A*-A, 10% above the GFE national average, while 56% gained A*-B grades and 82% A*-C – well above national benchmarks and much higher than the Cornwall and South West averages. Significant improvements were made at the Penwith campus with 28% of students gaining A*-A grades.

10 students met their Oxford or Cambridge offers, with 250 places offered for students at the most prestigious Russell Group universities (10% above national average).

The IB programme continues to be highly successful, enabling students to engage in the local and global community. Truro College is one of the largest state providers of the IB in the UK and the only one in Cornwall. Students achieved a 98% pass rate – up from 92% last year – well above the global average of 80%. The average points score of 35.5 exceeded the international figure of 30.58, with nearly a quarter of students achieving 40 points or more and 90% gaining 30 points or more and 18% gaining A*-A which is approximately double the GFE average.

Achievement levels on vocational programmes were equally high. Over 1,000 Level 3 Vocational students completed their studies, with over 70% of UAL Diploma students in creative subjects such as Art & Design, Games Development, Music, Photography and Creative Media Production achieving the highest grades.

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

BTEC Level 3 Diploma students in Sport, Health and Business achieved high grades 14% above the national average. At levels 1 and 2, students achieved an overall pass rate of 90%. In Media and Art courses over a third of students gained the highest grade of distinction (an incredible 80% for level 1 Art at Truro) whilst some courses saw retention issues and a dip in high grades (IT and Travel and Tourism).

Over 600 Occupational students achieved outstanding results across all levels, well above national benchmarks: Automotive (90%), Construction (92%), Hair & Beauty (87%) and Hospitality (95%), for an overall achievement rate of 91%.

T-level students secured a 95% pass rate across subjects such as Early Years Education, Health or Design, Surveying and Planning. 50 students completed their qualifications this year with exceptional results and impressive high grades. 90% achieved high grades of merit or distinction, 50% of early years students achieved the highest grade of a distinction overall and 34% achieved the highest grade of distinction in their occupational specialisms, against a national average of 18%.

Over 1,800 A Level, Vocational Diploma and T Level students collected their results in August and approximately 1,000 then reached their aspiration of gaining a place at their preferred university (93% to first choice against a national average of 82%).

All 16-19 students are required to develop English and mathematical skills until they achieve either a L2 functional skills qualification (for those with prior attainment of grade 2 or below at GCSE) or at least a grade 4 in GCSE (for those with prior attainment of grade 3 at GCSE). This is a condition of funding, and therefore maths and English forms a key part of many students' study programmes. Students are also entered for interim qualifications to aid their progress, for example all GCSE students are also entered for functional skills L2. GCSE remains a key qualification for many 19+ students and is often a requirement of progression into employment or HE. GCSE pass rates were well in excess of national averages. 31% of Maths students achieved 4 and above, which was 5% down on the previous year but above the GFE national average of 14.9% and the southwest average of 18.1%. 21% of English students achieved grade 4 and above, which was 12% down on the previous year and above the national average of 19%, the GFE average of 18% and below the Southwest average of 23%. Penwith GCSE English results were disappointing, significantly impacting on the overall college percentage.

The current apprenticeships achievement rate this year is 70.7%. This is 20% above the national average and confirms our Expert Apprenticeship status.

Higher Education

Higher Education awards achieved this summer ranged from Honours and Foundation Degrees to Higher National Diplomas, PGCEs, Certificates in Education, and Short Course Certificates.

Student attainment remains strong, with a high proportion achieving 2:1 or above, and student feedback continues to be very positive. Strategic initiatives have contributed to improved financial performance and sustainability.

CURRICULUM

The Ofsted framework is built around the curriculum intent, implementation and impact. Increased emphasis is given to an offer which facilitates meaningful progression and embraces wider opportunities to gain employability and personal skills. The College is well placed with its current offer to be responsive to this agenda and has introduced several curriculum enhancements which align well with this.

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

The curriculum is structured with clear progression routes from level 1 to HE, an apprenticeship or employment. The College strategy has been to promote equality of opportunity across the county, seeking to increase post-16 participation rates. A key aim of the College as a comprehensive tertiary institution, is to raise the aspirations of its learners and to promote social mobility through very high levels of academic achievement. Cornwall is above the national average in terms of the proportion of young people from workless households and below average in progression to HE. These are long term concerns for the county.

The College's academic provision is well known and established. The offer is built around 42 A level subjects and a thriving International Baccalaureate all of which reside near the top nationally for quality of delivery and impact. Now fully transitioned to linear A levels with students generally now selecting three subjects on entry with a surrounding offer such as directed self-study to ensure preparation for assessment and higher education and a substantial enrichment programme. These encourage skill development and academic excellence through for example, competing in national competitions, confidence through teamwork and numerous activities to support health and wellbeing.

Our wide range of vocational, technical and apprenticeship programmes have seen substantial growth, including the successful introduction of several T Level programmes. The range of vocational/technical provision reflects the interests and enthusiasms of students, the acquisition of employability and personal skills for future progression, as well as the requirements of local and national employers.

There is major commitment to pathways provision providing locally based and accessible curriculum for high needs learners. 2022/23 saw the introduction of a newly designed level 2 study programme to facilitate improved progression into further education, employment, or an apprenticeship with an increased emphasis on work skills and personal development.

The number of students retaking Maths and English GCSEs continues to grow year on year.

Adult provision

The College works closely in partnership with key stakeholders and aligns its adult provision against the Local Authority 'Good Growth Plan' and 'Cornwall's 2020-2050 plan' creating programmes which develop the workforce and create opportunities for employment.

The College offers a range of professional qualifications and tailored bespoke solutions which align with employment demand within the county.

<https://www.truro-penwith.ac.uk/app/uploads/2025/07/Adult-Learning-Strategy.pdf>

Higher Education provision

Programmes have been streamlined and strategically aligned to priority sectors and higher-level skills demands. Meaningful progress is being made in enhancing skills development and strengthening relationships with key employers. Provision is now organised into three distinct hubs; Education, Commercial, and Health, enabling more targeted employer engagement and clearer navigation of the College's offer.

Bespoke provision

Truro and Penwith College Future Skills Department provide courses in response to the needs of employers and employees and are committed to developing and expanding such provision further, ensuring we meet the priorities identified by the Local Authority 'Good Growth Plan' and 'Cornwall's 2020-2050 plan'.

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

Partnerships continue to be developed in a range of sectors including Engineering, Electric Vehicles, Hospitality and Catering and IT. Our offer ranges from specifically designed bespoke training to tailoring existing qualifications to better address employer's needs.

EXTERNAL JUDGEMENTS OF QUALITY

This year the College was subject to a full inspection by Ofsted. Following a full 4-day inspection, week commencing 3rd December 2024, the College was awarded the following grades by Ofsted:

- Overall Effectiveness – Good
- Quality of Education – Good
- Leadership and Management – Good
- Behaviours and Attitudes – Outstanding
- Personal Development – Outstanding
- Education Programmes for Young People – Outstanding
- Adult Learning – Good
- Apprenticeships – Outstanding
- Provision for Learners with High Needs – Requires Improvement
- Skills contribution - Strong

Inspectors were highly complimentary about our College, describing it as an exceptional provider which does the challenging work. Apprenticeships provision was described as 'best we've seen', our 16-19 offer described as exceptional and our personal development, leadership and management and behaviours and attitudes judgements as impressive and 'where else do you see this?'.

There were two issues identified in Adult Learning (skills bootcamps milestones and quality of the teaching of one staff member, a trainee teacher and industry expert). There were various issues identified by the High Needs inspector who reviewed provision in our bespoke progression pathways courses, following which extensive work has been undertaken to improve the quality of provision for this small and bespoke aspect of our work.

The Truro and Penwith University Centre was successfully awarded TEF Silver in 2024 and received approval for a revised Access and Participation Plan, enabling the College to charge higher tuition fees. The College remains an active member of the South West Institute of Technology, contributing to the development of higher-level provision aligned with regional skills needs.

The curriculum continues to evolve, with Level 5 programmes now approved as Higher Technical Qualifications (HTQs), including FdSc Cyber Security and FdSc Nursing Associate. New programme approvals with the University of Plymouth are in development, reflecting opportunities linked to Apprenticeship Standards, HTQ recognition, and the emerging Lifelong Learning Entitlement. Collaborative curriculum developments in Nursing and Allied Health with the University of Greenwich are now well established. The future strategy for Higher Education has been approved and is progressing as planned.

The College has Investors in Diversity and Investor in Careers status and also Matrix accreditation for advice and guidance across the whole of its provision. Reaccreditation for Investors in Diversity was achieved in February 2021 and Matrix reaccreditation was awarded in March 2024. The College demonstrated its commitment to Mental Health and Wellbeing by signing the AOC Mental Health Charter in 2025, producing a Mental Health Strategy and training a leader to be the Senior Mental Health Lead.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The College continues to review and improve the systems for managing risk across the College, working with the committees to embed a robust system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The Senior Management Team are the Risk Management Group and review the risk register on a regular basis, reporting to the relevant committees on risks owned by them, with overall risk management being overseen and reviewed by the Audit and Risk Committee on a termly basis.

Outlined below is a summary of the principal risk factors that affected the College during 2024/25.

- Failure to respond to changes to the educational/ training infrastructure
- Failure to secure adequate revenue funding
- Failure to constrain expenditure within agreed budget
- Failure to meet required financial, audit and other statutory compliance
- Failure to manage increasing costs of ageing estates
- Failure to manage reliance on public transport networks for travel to and from College
- Failure to achieve 16-19 recruitment targets
- Failure to achieve HE and Adult recruitment targets
- Compromised network access or data loss due to cyber attack
- Failure to prevent reduction in the quality of provision
- Failure to monitor defunded qualifications and availability of appropriate alternatives
- Failure to monitor and mitigate the impact of AI and other developing technologies
- Failing to maintain staff morale and engagement during a period of change
- Failure to implement a staff recruitment process that attracts suitable applicants

Risks are addressed through the College's strategic plan, and the Risk Management Group undertakes a comprehensive review of the risks linked to strategic objectives to which the College is exposed. It identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented, and the Audit and Risk Committee review their effectiveness and progress against risk mitigation actions.

EQUALITY, DIVERSITY AND INCLUSION

Truro and Penwith College has a commitment to meet the general and specific duties contained in The Equality Act 2010. The College recognises the educational and business benefits of having a diverse community of staff and learners who value inclusion, diversity, one another and contribute to the achievement of the College's mission:

'to provide the best possible learning experience leading to the highest possible level of achievement by our students'

TRURO AND PENWITH COLLEGE STRATEGIC REPORT (CONTINUED)

The College was recredited with the Investors in Diversity Quality Mark in 2021 and ranked within the top 25 of the 600+ organisations involved nationally with the scheme.

This demonstrates the College's commitment to an all-encompassing approach to equality, diversity and inclusion. The College culture seeks to be inclusive and as appropriate provide support to remove barriers to the educational achievement, personal progression and participation of individual learners. The College aims to provide a learning and working environment which values individuals equally and does not disadvantage individuals by discriminating on any grounds including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex (gender), and sexual orientation.

In the College's earlier individual equality schemes, detail was given both on the legislative framework and on the general and specific statutory duties which apply to all public bodies, including tertiary colleges. This policy remains compliant with these duties, which cover race, disability, age and gender, and also encompasses the broader single equality duty covering the protected characteristics. This Policy sets out the College's equality principles, aims and objectives for the period 2025/26. The scheme describes how the College will:

- Promote equality of opportunity and avoid discrimination
- Place the advancement of inclusion, equality and diversity at the centre of its work
- Not tolerate harassment, victimisation or discrimination and has procedures in place to deal with such incidents
- Ensure that Truro and Penwith College operates best practice as an employer in pursuit of equality

The central aim of the College's Policy is to require action which will remove any existing barriers to all staff, students, governors and visitors, irrespective of age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation.

Trade union facility time

The Trade Union Act 2016 and the Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish data each year on paid facility time for employees who are trade union representatives.

The statutory right to reasonable time off during working hours for trade union representatives is set out in;

- the sections 168, 168A and 170 of the Trade Union and Labour Relations (Consolidation) Act 1992 Act;
- section 10 of the Employment Relations Act 1999; and
- regulations made under section 2 of the Health and Safety at Work etc. Act 1974.

**TRURO AND PENWITH COLLEGE
STRATEGIC REPORT (CONTINUED)**

Numbers of employees who were relevant union officials during the relevant period	8
FTE employee number	7.3
Percentage of time	Number of employees
0%	0
1-50%	8
51-99%	0
100%	0
Total cost of facility time	£12,756
Total pay bill	£37,368,022
Percentage of total bill spent on facility time	0.03%
Hours spent on paid facility time	576
Hours spent on paid trade union activities	0
Percentage of total paid facility time hours spent on paid TU activities	0%

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to disclose data regarding payment performance of suppliers. During the accounting period 1 August 2024 to 31 July 2025, the College paid 60.6 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

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:

Signature 
Robert Townsend, Chair

Date: 9/12/2025

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The 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 FE code of good governance (“the Code”);

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code and governance evaluation reported to the Board on 9 December 2025. The Board of Governors 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 FE code of good governance issued by the Association of Colleges in 2024 which it formally adopted in March 2025, and has regard for the Higher Education Code of Governance issued by the Committee of University Chairs (CUC) in September 2020.

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

MEMBERS WHO SERVED ON THE CORPORATION DURING THE YEAR COMMENCING 1 AUGUST 2024 AND UP TO THE DATE OF SIGNATURE OF THIS REPORT ARE LISTED BELOW

<i>Name</i>	<i>Date of First Appointment</i>	<i>Date of Latest Appointment</i>	<i>Term of Office</i>	<i>Date of Resignation</i>	<i>Status</i>	<i>Committees Served</i>	<i>Corporation Meetings Attended in 2024/25</i>	<i>Total Meetings Attended in 2024/25</i>
Mrs K Ashworth	1 Aug 2013	1 Aug 2021	31 Jul 2025	31 Jul 2025	External Member	Employment & Business Policy; Finance Infrastructure and People; Quality of Education and Skills	7/8	17/23
Mr N Basher	24 June 2024	n/a	31 Dec 2025		Student Member	Quality of Education and Skills	2/4	5/8
Mrs L Batchelor	1 Oct 2012	27 Mar 2024	30 Sep 2028		External Member	Employment & Business Policy; Quality of Education and Skills; Remuneration (Chair); Search & Governance	8/8	28/28
Mr R Bray	1 Sept 2020	1 Sept 2024	31 Aug 2028		Staff Member	Quality of Education and Skills	4/4	5/9
Miss Lauren Chessman	1 Feb 2025		31 Jan 2027		Student Member	Quality of Education and Skills	1/1	2/4
Mr D Collins	1 Aug 2017	1 Aug 2021	31 Jul 2025	31 Jul 2025	External Member	Finance, Infrastructure and People; Quality of Education and Skills; Remuneration	6/8	13/30
Mr P Cox	27 Mar 2024	n/a	26 Mar 2028	4 Jul 2025	External Member	Finance, Infrastructure and People; Audit	8/8	26/26
Mr K Curtis	11 Feb 2025	n/a	10 Feb 2029		External Member	Audit, Risk and Assurance (Chair); Remuneration; Search & Governance	1/5	7/8
Miss H Holmes	24 June 2024	n/a	31 Dec 2024	31 Dec 2024	Student Member	Quality of Education and Skills	1/2	3/4
Mr O Marshall-Whitley	4 Oct 2023	n/a	3 Oct 2027		External Member	Quality of Education and Skills	7/7	13/14
Mrs T Merritt	22 May 2024	n/a	21 May 2028		External Member	Quality of Education and Skills	8/8	13/13

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

MEMBERS WHO SERVED ON THE CORPORATION DURING THE YEAR COMMENCING 1 AUGUST 2024 AND UP TO THE DATE OF SIGNATURE OF THIS REPORT (CONTINUED)

<i>Name</i>	<i>Date of First Appointment</i>	<i>Date of Latest Appointment</i>	<i>Term of Office</i>	<i>Date of Resignation</i>	<i>Status</i>	<i>Committees Served</i>	<i>Corporation Meetings Attended in 2024/25</i>	<i>Total Meetings Attended in 2024/25</i>
Mr T Mtetwa	10 Dec 2024	n/a	31 July 2025		Student Member	Quality of Education and Skills	1/3	3/6
Miss L Ovens	27 Mar 2024	n/a	26 Mar 2028		External Member	Audit, Risk and Assurance	5/8	9/13
Mrs K Penney	4 July 2024	n/a	3 July 2028		External Member	Finance, Infrastructure and People; Remuneration	3/8	14/24
Mr R Van De Velde	4 Oct 2023		3 Oct 2027		External Member	Finance, Infrastructure and People	6/8	15/21
Mrs S Sanderson	1 Aug 2014	1 Aug 2022	31 Jul 2026		External Member	Audit, Risk and Assurance; Quality of Education and Skills (Chair); Remuneration; Search & Governance	7/8	13/16
Ms D Skinnard	14 Mar 2006	27 Mar 2025	13 Mar 2028	13 Oct 2025	External Member	Employment & Business Policy (Chair); Audit, Risk and Assurance (Interim Chair)	6/8	10/17
Mr R Townsend (Chair of Corporation from 1 April 2024)	1 Aug 2019	1 Aug 2024	31 Jul 2027		External Member	Finance, Infrastructure and People; Investment Panel; Search & Governance	8/8	17/17
Mr M Tucker	1 Sept 2020		ongoing		Principal	Finance, Infrastructure and People; Search & Governance; Employment & Business Policy; Quality of Education and Skills	6/6	28/28
Prof F Wall	1 Sept 2021	31 Aug 2025	31 Aug 2029		External Member	Quality of Education and Skills	4/8	8/15

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

MEMBERS WHO SERVED ON THE CORPORATION DURING THE YEAR COMMENCING 1 AUGUST 2024 AND UP TO THE DATE OF SIGNATURE OF THIS REPORT (CONTINUED)

<i>Name</i>	<i>Date of First Appointment</i>	<i>Date of Latest Appointment</i>	<i>Term of Office</i>	<i>Date of Resignation</i>	<i>Status</i>	<i>Committees Served</i>	<i>Corporation Meetings Attended in 2024/25</i>	<i>Total Meetings Attended in 2024/25</i>
Mrs J Warren	22 May 2025	n/a	21 May 2028	1 Jul 2025	External Member	Audit, Risk and Assurance	5/8	10/13
Mr C Wathern	27 Mar 2025	n/a	26 Mar 2028		External Member	Quality of Education and Skills	4/7	9/13
Miss W Randle Head of Governance started 14/11/2023								

TRURO AND PENWITH COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

The Governance Framework

The Corporation has the flexibility to vary the membership from a minimum of fifteen to a maximum of twenty-five governors) and includes the Accounting Officer, a staff member, three students and at least eleven external members.

The Search and Governance Committee has established clear rules for the appointment and re-appointment of Governors and is responsible for monitoring the membership of the Board of Governors and its committees; for recruiting, selecting and recommending the appointment and re-appointment of members; and for the succession planning of Governors and the Chair of the Corporation as well as the Chairs of the committees.

The Committee meets once each term and reports formally to the Corporation annually. The Committee regularly reviews the overall profile of the Board of Governors, length of service of Governors and the skills and experience offered. The Committee is committed to increasing the diversity of the Corporation to broaden the perspective of the boardroom and to include representation from across the local community. The Committee recognises the value of refreshing the membership and actively plans for succession to ensure an appropriate turnover to bring in new ideas whilst ensuring continuity and maintaining the necessary range of skills and experience to operate effectively.

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 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 four times a year.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. Following a review of the governance structure during 2024/25 the following changes to the committee structure were made; the three sub groups, SAR working group, HE quality assurance group and Investment Panel were all disbanded as was the Employment and Business Policy Committee. The relevant responsibilities were moved into other committees and committee names updated as follows: the Finance, Infrastructure and People, Quality of Education and Skills, Audit, Risk and Assurance Committee, Remuneration and Search and Governance. There is also a Chairs' Standing Committee. Full minutes of all meetings, except those deemed confidential by the Corporation, are available from the Head of Governance at: Truro and Penwith College, College Road, Truro, TR1 3XX. They are also available on the College website at www.truro-penwith.ac.uk.

The Head 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 Head of Governance, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Head of Governance are matters for the Corporation as a whole.

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

TRURO AND PENWITH COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

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

All new member appointments to the Corporation are a matter for consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee which is comprised of the Chair and Vice-Chair of the Corporation, the Chairs of the respective Standing Committees and the Accounting Officer and is responsible for selection and nomination or any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training and development is provided as required.

Members of the Corporation are appointed for a term of office not exceeding 4 years.

Records of Governors' attendance are maintained and monitored by the Search and Governance Committee.

Corporation Performance

The Corporation commissioned an external review of governance in 2022/23. Governance4FE was appointed in October 2022 to carry out an External Board Effectiveness Review. The review was carried out over the period from November 2022 to March 2023. The external review concluded:

"Within the overall review of governance compliance and the Board's effectiveness, this is a positive report set against a backdrop of an executive team becoming embedded, and the college addressing the current local strategic and the wider sector policy challenges. This summary of review outcomes should be read in conjunction with the full report as the report contains important contextual information, rationale, and evidence for all the recommendations made. The review considered the Board's effectiveness across the 5 main areas."

Subsequent to the review the Corporation continue to undertake annual self assessment with key themes for development incorporated into a Governance Development Plan agreed by the Corporation, with progress monitored by the Search and Governance committee.

Governor Training and Development

The Corporation is committed to governor development and all Governors are expected to take part in ongoing development and identify any training needs via the skills audit process. Individual Governors attended Association of Colleges sessions on a range of topics including induction training, Committee Chairs' meetings and Principal and Chairs' meetings. Other examples of training undertaken during this reporting period include attendance at Risk Management, GDPR, Safeguarding and Prevent training.

As well as a 24 hour residential conference which includes a programme of presentations on key strategic themes and updates on sector and county developments, additional briefings are provided throughout the year either, delivered internally or by external providers as needed.

The Chair of the Corporation is part of the FEC's Just One Thing programme and is receiving mentoring from a National Leader of Governance (NLG) as part of this offer.

The Head of Governance successfully completed the Institute of Directors (IoD) Level 7 Diploma for Further Education Governance Professionals (Dip FEGP) and is an Assessor for the IoD Level 6 Award for Further Education Governance Professionals (FEGP). They attended all of the AoC South West Governance Professional network meetings in 2024/25 to maintain their understanding of sector developments and best practice; they co-chair these sessions. They have undertaken various training and development opportunities delivered by Good Governance Institute, Education and Training Foundation and AoC.

Remuneration Committee

Throughout the year ended 31 July 2025, the College's Remuneration Committee comprised six members, the Committee Chairs and other Governors appointed due to their skills and experience; not all six were members at the same time. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits, and other conditions of service, of the Accounting Officer and other senior postholders and have due regard for the AoC Senior Staff Remuneration Code. The Committee agreed to defer their annual meeting to September 2025 so that they could consider any government pay award for the sector, following last year's decision-making timescale.

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

Audit Committee

The Audit, Risk and Assurance Committee membership has varied during this reporting period. It can comprise up to five members of the Corporation (excluding the Accounting Officer and the Chair), who may not be members of the Finance, Infrastructure and People Committee simultaneously; there is capacity to appoint up to two non-Corporation members, one was appointed during this period and has since moved to Chair this Committee.

The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Committee meets on a termly basis and provides a forum for reporting by the College's internal and external 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 in accordance with an agreed plan of input and report their findings to management and the Audit, Risk and Assurance Committee. Management is responsible for the implementation of agreed recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

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

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

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

Committee member	Meetings attended
Mr K Curtis (appointed as a Committee Chair Feb 2025, previously a non corporation Audit, Risk and Assurance Committee member)	3 of 3
Mrs S Sanderson	3 of 3
Ms D Skinnard (Interim Chair until Feb 2025)	1 of 3
Mrs L Batchelor	2 of 3
Mr P Cox (appointed until November 2025)	1 of 1
Miss L Ovens	2 of 3
Ms J Warren	3 of 3

Following a period of an Interim Chair, the Committee have since secured a Chair.

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 he is personally responsible, in accordance with the responsibilities assigned under the accountability agreement, funding agreements and contracts with the funding bodies.

He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

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

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

Capacity to handle risk

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

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with the requirements of the DfE's College Financial Handbook and guide for external auditors and reporting accountants of colleges. 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, Risk and Assurance Committee. At least annually, the Director of Internal Audit (DIA) provides the Corporation with a report on internal audit activity in the College. The report includes the DIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

During the year the Corporation identified, evaluated and managed the risks faced as outlined in the principal risks and uncertainties in the strategic report.

Control weaknesses identified

During the annual cycle of reviews the internal auditors did not identify any significant control weaknesses.

Responsibilities under funding agreements

The College has reviewed its policies, procedures and approval processes in line with the College Financial handbook and its Accountability Agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

TRURO AND PENWITH COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

Statement from the Audit, Risk and Assurance Committee

The Audit, Risk and Assurance Committee has advised that the Corporation has an effective framework for governance and risk management in place. The Audit, Risk and Assurance Committee believes the Corporation has effective internal controls in place.

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

- Risk Management
- Budgetary Controls
- Payroll and Expenses
- Safeguarding
- Student Records
- Counter Fraud
- Health & Safety
- Follow up

Review of effectiveness

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

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

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

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit, Risk and Assurance Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit, Risk and Assurance Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and Audit, Risk and Assurance Committee. The emphasis is on obtaining the relevant degree of assurance, not merely reporting by exception. At its November 2025 meeting, the Committee carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the Senior Management Team and internal audit and taking account of events since 31 July 2025.

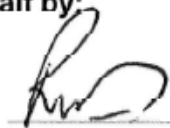
TRURO AND PENWITH COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTD)

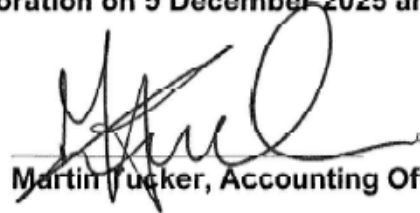
Based on the advice of the Audit, Risk and Assurance Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for “the effective and efficient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

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

Signature



Robert Townsend, Chair



Martin Tucker, Accounting Officer

Date

9/12/2025

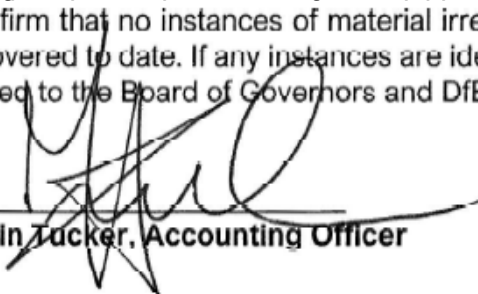
Date

9/12/2025

TRURO AND PENWITH COLLEGE
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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


_____, Date: 9/12/2025
Martin Tucker, Accounting Officer

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

Within the terms and conditions of the College's Accountability Agreement, funding agreements and contracts with the 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:

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

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

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

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

The Corporation is responsible for the maintenance and integrity of its website; 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 the DfE, and any other public funds, are used only in accordance with the Accountability Agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by the 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.


TRURO AND PENWITH COLLEGE

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION (CONTD)

On behalf of the Corporation, the Chair of the Board of Governors is responsible for discussing the Accounting Officer's Statement of Regularity, Propriety and Compliance with the Accounting Officer.

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

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



Robert Townsend, Chair

Date: 9/12/2025

TRURO AND PENWITH COLLEGE
INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF TRURO AND PENWITH COLLEGE

Opinion

We have audited the financial statements of Truro and Penwith College (the 'corporation') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2024 to 2025.

In our opinion, the financial statements:

- give a true and fair view of the state of the corporation's affairs as at 31 July 2025 and of the corporation's Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet and Statement of Cash Flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, College Accounts Direction 2024 to 2025 and the Office for Students' 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 corporation 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.

Conclusion relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are 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.

TRURO AND PENWITH COLLEGE

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 where the Framework and Guide for External Auditors and Reporting Accountants of Colleges by the Department for Education ('DfE') requires us to report to you if, in our opinion:

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

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion:

- funds from whatever source administered by the corporation for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS') and Research England have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them.

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

- the corporation's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the corporation's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the corporation

As explained more fully in the Statement of Responsibilities of the Members of the corporation set out on page 26, the corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporation is responsible for assessing the corporation'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 corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- the nature of the sector, control environment and the corporation's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the corporation's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the corporation's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the corporation ensured it met its obligations arising from it being financed by and subject to the governance requirements of the DfE and OfS, and as such material compliance with these obligations is required to ensure the corporation will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the corporation ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal corporation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the corporation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the corporation's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the 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;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of corporation's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the DfE and OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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.

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

Use of our report

This report is made solely to the corporation, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the corporation those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming Audit Limited

BISHOP FLEMING AUDIT LIMITED

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date: 17/12/2025

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORPORATION OF TRURO AND PENWITH COLLEGE AND SECRETARY OF STATE FOR EDUCATION

In accordance with the terms of our engagement letter dated 2 May 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Truro and Penwith College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament or the financial transactions do not conform to the authorities which govern them.

This report is made solely to the corporation of Truro and Penwith 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 Truro and Penwith 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 Truro and Penwith College and Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of Truro and Penwith 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 to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

TRURO AND PENWITH COLLEGE

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the corporation's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the corporation's self-assessment questionnaire ("SAQ");
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk;
- Confirming through enquiry and understanding the control environment that the corporation has policies and delegated authorities in respect of procurement; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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, or that the financial transactions do not conform to the authorities that govern them.

Bishop Fleming Audit Limited

BISHOP FLEMING AUDIT LIMITED

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date 17/12/2025

TRURO AND PENWITH COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
For the year ended 31 July 2025

		Yr ended 31 Jul 25	Yr ended 31 Jul 24
	Notes	£'000	£'000
Income			
Funding Body Grants	2	39,140	36,248
Tuition fees and education contracts	3	5,897	7,193
Other grants and contracts	5	1,345	1,724
Other income	6	2,588	3,325
Investment income	7	215	424
Total income		49,185	48,914
Expenditure			
Staff costs	8	37,368	37,244
Other operating expenses	9	10,134	10,733
Depreciation	13 & 14	5,540	5,591
Interest payable	12	-	-
Total expenditure		53,042	53,568
Deficit before other losses and gains		(3,857)	(4,654)
Gain on disposal of assets		1,073	423
Gain on investments		3	338
Deficit before tax		(2,781)	(3,893)
Taxation		-	-
Actuarial Gain in respect of Pension Schemes	23	(268)	(110)
Total Comprehensive (Loss) for the year		(3,049)	(4,003)
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		(3,049)	(4,003)
		(3,049)	(4,003)

The Statement of Comprehensive Income and Expenditure is in respect of continuing activities.

TRURO AND PENWITH COLLEGE
STATEMENT OF CHANGES IN RESERVES
For the year ended 31 July 2025


	Notes	Income and Expenditure Account £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 July 2024		57,926	1,611	-	59,537
Deficit from the income and expenditure account		(2,781)	-	(199)	(2,980)
Other comprehensive income	23	(268)	-	-	(268)
Transfers between revaluation and income and expenditure reserves		59	(59)	-	-
Transfer of recognised restricted reserve to deferred capital grant		(199)	-	199	-
Balance at 31 July 2025		54,737	1,552	-	56,289

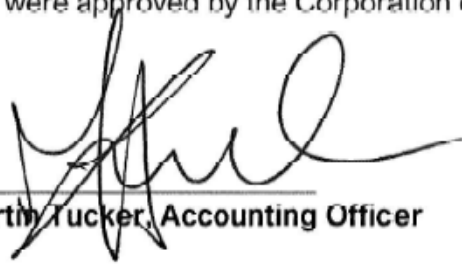
	Notes	Income and Expenditure Account £'000	Revaluation Reserve £'000	Restricted Reserve £'000	Total £'000
Balance at 31 July 2023		61,870	1,670	-	63,540
Deficit from the income and expenditure account		(3,893)	-	-	(3,893)
Other comprehensive income	23	(110)	-	-	(110)
Transfers between revaluation and income and expenditure reserves		59	(59)	-	-
Balance at 31 July 2024		57,926	1,611	-	59,537

TRURO AND PENWITH COLLEGE
BALANCE SHEET
As at 31 July 2025

	Notes	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Non current assets			
Intangible assets	13	21	32
Tangible assets	14	95,016	97,502
Financial assets	15	3,888	3,580
		<u>98,925</u>	<u>101,114</u>
Current assets			
Stock		62	77
Trade and other receivables	16	2,237	2,061
Investments	17	-	-
Cash and cash equivalents	21	4,519	3,912
		<u>6,818</u>	<u>6,050</u>
Less: Creditors - amounts falling due within one year	18	<u>(7,199)</u>	<u>(6,337)</u>
Net current (liabilities)		<u>(381)</u>	<u>(287)</u>
Total assets less current liabilities		98,544	100,827
Creditors: amounts falling due after more than one year	19	(42,255)	(41,290)
Provisions			
Defined benefit obligations	20	-	-
		<u>-</u>	<u>-</u>
Total net assets		<u>56,289</u>	<u>59,537</u>
Unrestricted reserves			
Income and expenditure account		54,737	57,926
Revaluation reserve		1,552	1,611
Total unrestricted reserves		<u>56,289</u>	<u>59,537</u>
Total reserves		<u>56,289</u>	<u>59,537</u>

The financial statements on pages 34-59 were approved by the Corporation on 9 December 2025 and were signed on its behalf by:


Robert Townsend, Chair


Martin Tucker, Accounting Officer

TRURO AND PENWITH COLLEGE
STATEMENT OF CASH FLOWS
For the year ended 31 July 2025

	Notes	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Cash flow from operating activities			
Deficit for the year		(2,781)	(3,893)
Adjustment for non-cash items			
Depreciation		5,540	5,591
Decrease/(Increase) in stocks		15	(5)
(Increase) in debtors		(772)	(310)
Increase in creditors due within one year		1,098	702
(Decrease) in creditors due after one year		(17)	(24)
Release of deferred capital grants		(2,247)	(2,080)
Pensions costs less contributions payable		(268)	110
Taxation		-	-
Adjustment for investing or financing activities			
Investment income		(215)	(314)
Interest payable		-	-
Taxation paid		-	-
(Profit) on disposal of fixed assets		(1,073)	(423)
(Gain) on investments		(3)	(338)
Net cash flow from operating activities		(723)	(984)
Cash flows from investing activities			
Proceeds from sale of fixed assets		979	-
Disposal of non-current asset investments		2,000	5,126
Repayment of capital grants		-	-
Payments to acquire fixed assets		(3,782)	(5,113)
Payments to acquire non-current investments		(2,122)	(3,887)
Withdrawal of deposits		-	500
Receipt of deferred capital grants		4,040	2,181
Investment income		215	314
		1,330	(879)
Increase / (Decrease) in cash and cash equivalents in the year		607	(1,863)
Cash and cash equivalents at beginning of the year	21	3,912	5,775
Cash and cash equivalents at end of the year	21	<u>4,519</u>	<u>3,912</u>

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of Preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2024 to 2025* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of Accounting

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

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. While the College has faced some challenges as a result of increased inflation and lingering effects of the pandemic, it has significant reserves including cash and cash equivalents of £4.5m and £3.9m in fixed asset investments and no borrowings. For this reason the College will continue to adopt the going concern basis in the preparation of its Financial Statements.

Basis of Consolidation

The financial statements include the activities of the College only, as the College does not have any subsidiaries. All financial statements are made up to 31 July.

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

The College is the responsible body for the Cornwall School Centred Initial Teacher Training programme (Cornwall SCITT). Cornwall SCITT is managed independently from the College and its results have not been consolidated into the group accounts, although details of its results are published in note 27.

Recognition of Income

Revenue Grant Funding

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

TRURO AND PENWITH COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from the OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income. Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital Grant Funding

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

Fee Income

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

Investment Income

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

Agency Arrangements

The College acts as an agent in the collection and disbursement of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to this transaction. Details are shown separately in note 25, except for 5% of the grant received, which is available to the College to cover administration costs relating to the grant.

Accounting for Post-employment Benefits

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

Teachers' Pension Scheme (TPS)

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

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Cornwall Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term

and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

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

Short term Employment benefits

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

Enhanced Pensions

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

Non-current Assets - Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

a. Land and Buildings

The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Other land and buildings are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated over their expected useful economic life to the institution of 50 years.

Improvements to buildings are depreciated over their expected useful economic life to the institution of 10 years.

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

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

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

Subsequent expenditure on existing fixed assets

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

The College has a long-term maintenance plan, which forms the basis of the ongoing maintenance of the estate. The cost of long term and routine corrective maintenance is charged to the income and expenditure account as incurred.

b. Equipment

All furniture and equipment costing more than £100 per item, and when grouped totals more than £1,000, is capitalised. All purchases below this level are written off to the income and expenditure account in the year of acquisition. Capitalised equipment is depreciated on a straight line basis over its useful economic life as follows:

Computer equipment	3 years
Motor vehicles and general equipment	5 years
Furniture	8 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Intangible Assets

Intangible assets such as software, are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual value over their estimated useful life of 5 years, on a straight line basis.

An intangible asset will be recognised only if future economic benefits flow to the College and the cost of the asset can be measured reliably.

Leased Assets

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

TRURO AND PENWITH COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

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

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

Investments

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

Cash and Cash Equivalents

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

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

Financial Liabilities and Equity

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

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

Stocks

Stocks are stated at the lower of their cost and net realisable value and consists of items for the Shop. Where necessary, provision is made for obsolete slow moving and defective stocks.

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.

TRURO AND PENWITH COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of 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
- a reliable estimate can be made of the amount of the obligation.

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

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

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

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Other key sources of estimation uncertainty

- **Tangible fixed assets**

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

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit value 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 23, will impact the carrying amount of the pension. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2024 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, which this year was an asset. The asset on the balance sheet has been restricted to the extent that it is deemed recoverable.

2. Funding Body Grants

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Recurrent Grants		
Department for Education - adult	598	578
Department for Education - 16-18	29,997	28,368
Department for Education - apprenticeships	3,730	3,527
Office for Students	313	302
Specific Grants		
Teachers' Pensions Grant	2,255	1,393
Releases of Government Capital Grants	2,247	2,080
Total	39,140	36,248

3. Tuition fees and Education Contracts

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Adult education fees	537	524
Apprenticeship fees and contracts	30	41
Fees for FE loan supported courses	187	247
Fees for HE loan supported courses	2,638	2,773
International students fees	-	-
Total tuition fees	3,392	3,585
Education contracts	2,505	3,608
Total	5,897	7,193

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

4. OfS Sources of Grant and Fee Income

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Grant Income from the OfS	313	302
Net Grant Expenditure (note 2)	313	302
Fee income for Taught Awards (note 3)	2,638	2,773
Fee income for Research Awards	-	-
Fee income for Non Qualifying Courses	478	492
Total	3,116	3,265

5. Other Grants and Contracts

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
European Commission income	-	467
Other grants and contracts	1,345	1,257
Coronavirus Job Retention Scheme Grant	-	-
Total	1,345	1,724

6. Other Income

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Catering and residences	202	226
Other income generating activities	464	431
Miscellaneous Income	1,922	2,668
Total	2,588	3,325

7. Investment Income

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Other investment income	123	208
Other interest receivable	92	216
Total	215	424

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

8. Staff Costs

The average number of persons (including key management personnel) employed by the College during the year was:

	Yr ended 31 Jul 25	Yr ended 31 Jul 24
Teaching staff	539	590
Non teaching staff	566	617
	1,105	1,207

Staff costs for the above persons:	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Wages and salaries	27,995	28,702
Social Security costs	2,858	2,566
Restructuring costs	647	92
Other pension costs including FRS 102 reducing adjustment of £268,000 (2024: £0)	5,868	5,884
Total	37,368	37,244

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

Severance payments

The corporation paid 80 severance payments in the year, disclosed in the following bands:

	Yr ended 31 Jul 25	Yr ended 31 Jul 24
£0 - £25,000	79	12
£25,001 - £50,000	1	-
£50,001 - £100,000	-	-

Included in staff restructuring costs are 68 special severance payments totalling £52,441 (2024: one special payment of £6,430). Of these, 66 are for £1,000 or less, one is for £1,135 and one is for £4,362.

Key Management Personnel

Key management personnel are defined as the Principal and holders of the other senior posts whom the governing body have selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff.

Key management personnel for the College during the year were the Accounting Officer, the Director of Operations, the Chief Finance Officer, the Director of Business Partnerships & Skills, the Director of Learning, Assessment & Support, the Director of People, Culture & Curriculum, the Director of Student Experience and the Director of Quality.

No payments were made to key management personnel as compensation for loss of office during the year ended 31 July 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

The number of key management, and other personnel earning over £60,000, who received emoluments excluding pension contributions and employer's national insurance, but including benefits in kind in the following ranges was:

	KMP 2025	Other 2025	KMP 2024	Other 2024
£25,001 - £30,000	-	-	1	-
£60,001 - £65,000	-	5	-	2
£65,001 - £70,000	-	-	1	2
£70,001 - £75,000	1	-	-	-
£75,001 - £80,000	1	-	1	-
£80,001 - £85,000	-	-	-	-
£85,001 - £90,000	2	-	2	-
£90,001 - £95,000	1	-	1	-
£95,001 - £100,000	1	-	1	-
£100,001 - £105,000	-	-	-	-
£105,001 - £110,000	1	-	1	-
£150,001 - £155,000	-	-	-	-
£155,001 - £160,000	-	-	-	-
£160,001 - £165,000	1	-	1	-
	8	5	9	4

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Key management personnel emoluments are made up as follows:		
Basic Salary	796	810
Benefits in kind	-	-
Pension contributions	212	188
Total emoluments	1,008	998

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

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Salary	164	162
Benefits in kind	-	-
	164	162
Pension contributions	47	41

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

The remuneration package of Key Management Staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

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

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

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Principal's basic salary as a multiple of the median of all staff	4.8	5.5
Principal and CEO's total remuneration as a multiple of the median of all staff	6.2	5.6

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

9. Other Operating Expenses

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Teaching costs	3,019	3,602
Non teaching costs	3,774	3,660
Premises Costs	3,341	3,471
Total	10,134	10,733

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Other operating expenses include:		
Auditors' remuneration		
- internal audit	16	16
- financial statements audit	57	35
- other services provided by the external auditors	9	14

10. Access and Participation Expenditure

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Access Investment	110	102
Financial Support Provided to Students	103	152
Support for Disabled Students	48	47
Research and Evaluation	18	17
Total	279	318

The College's Access and Participation plan for the year ended 31 July 2025 is published at <https://www.truro-penwith.ac.uk/university-centre/policies-ofs-registration/>

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

11. Write offs

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Debts written off during the year	19	50
Total	19	50

During the year the college wrote off no debts over £5,000.

12. Interest Payable

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Pension finance costs (note 23)	-	-
Total	-	-

13. Intangible Assets

	Intangible assets £'000
Cost or valuation	
At 1 August 2024	57
At 31 July 2025	57
Depreciation	
At 1 August 2024	25
Charge for year	11
At 31 July 2025	36
Net book value at 31 July 2025	21
Net book value at 31 July 2024	32

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

14. Tangible Fixed Assets

	Land and Buildings Freehold £'000	Equipment £'000	Assets under construction £'000	TOTAL £'000
Cost or valuation				
At 1 August 2024	137,030	17,354	790	155,174
Additions	1,733	1,716	136	3,585
Disposals	(1,808)	(53)	-	(1,861)
Transfer on use	790	-	(790)	-
At 31 July 2025	137,745	19,017	136	156,898
Depreciation				
At 1 August 2024	45,064	12,608	-	57,672
Charge for year	3,440	2,089	-	5,529
Elim on disposal	(1,266)	(53)	-	(1,319)
At 31 July 2025	47,238	14,644	-	61,882
Net book value at 31 July 2025	90,507	4,373	136	95,016
Net book value at 31 July 2024	91,966	4,746	790	97,502

Inherited land and buildings were valued for the purpose of the 1995 financial statements at depreciated replacement cost by the Chief Land Agent and Valuer of the County Council.

15. Non-Current Investments

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Non-current investments at 1 August	3,580	4,482
Additions	132	1,771
Disposals	(2,000)	(5,126)
FV gain/(loss)	3	338
Gain on disposal	182	-
Movement in cash account	1,991	2,115
Balance at 31 July	3,888	3,580

Fluctuations in the fair value of investments are recognised as a charge through income and expenditure.

16. Debtors

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Amounts falling due within one year:		
Trade receivables	280	423
Prepayments and accrued income	1,957	1,638
Total	2,237	2,061

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

17. Current Investments

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Monies invested short term on the money market	-	-

18. Creditors: Amounts falling due within one year

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Trade Creditors	2,182	1,250
Taxation and pension contributions	25	
Accruals	721	818
Staff Holiday Pay Accrual	699	644
Payments received in advance	508	1,009
Deferred income – government capital grants	2,306	2,345
Amounts owed to Funding Bodies	758	271
Total	7,199	6,337

19. Creditors: Amounts falling due after more than one year

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Deferred Capital Grant	42,087	41,105
Other Deferred Income	168	184
Total	42,255	41,290

20. Provisions for Liabilities and Charges

	Defined Benefit Obligations £'000	Other Provisions £' 000	Total £'000
At 1 August 2024	-	-	-
Expenditure in the period	-	-	-
At 31 July 2025	0	-	0

Whilst actuarial reports show a funding surplus from actuarial gains, the value recognised on the balance sheet is restricted to the extent that it is recoverable (see Note 23).

TRURO AND PENWITH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

21. Cash and Cash Equivalents

	1 Aug 24 £'000	Cash Flow £'000s	31 Jul 25 £'000
Cash in hand at Bank	3,912	607	4,519
Total	3,912	607	4,519

Cash balances that are held in investments are included under Cash and Cash Equivalents where they meet the definition.

22. Capital and Other Commitments

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Commitments contracted for but not provided at 31 July:	-	1,128
Authorised but not contracted for at 31 July:	1,152	336
	1,152	1,464

23. Defined Benefit Obligations

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

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

Total pension cost for the year	Year ended 31 Jul 25 £'000	Year ended 31 Jul 24 £'000
Teachers' Pension Scheme: Contributions paid	4,102	3,709
Local Government Pension Scheme: Contributions payable	2,118	2,010
FRS 102 (28) charge	(268)	55
Charge to the Income and Expenditure Account (staff costs)	1,850	2,065
Total pension cost for year	5,952	5,774

Contributions amounting to £NIL (2024: £NIL) were payable to the above schemes at 31 July 2025 and are included within creditors.

TRURO AND PENWITH COLLEGE NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Teachers' Pension Scheme

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

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

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Valuation of the Teachers' Pension Scheme

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

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

As a result of the last scheme valuation, based on 2020 data, employer contribution rates rose from 23.6% to 28.6% from April 2024. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. The next valuation, based on 2024 data, is expected to take effect in 2027.

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

<https://www.teacherspensions.co.uk/news/employers/2025/10/valuation-result>

The pension costs paid to TPS in the year amounted to £4,102,000 (2024: £3,709,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Cornwall Pension Fund.

The total contributions made for the year ended 31 July 2025 were £2,743,000 of which employers' contributions totalled £2,118,000 and employees' contributions totalled £625,000. Employer's contribution rates were 18.4% for the College as the employer until April 2025 when they reduced to 16.7% and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Principal Financial Assumptions:

The following information is based on a full actuarial valuation of the Fund at 31 March 2022, updated to 31 July 2025 by Hymans Robertson, a qualified independent actuary.

	At 31 Jul 2025	At 31 Jul 2024
Salary Increase Rate	2.75%	2.75%
Pension Increase Rate (CPI)	2.75%	2.75%
Discount rate	5.80%	5.00%

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.

	At 31 July 2025	At 31 July 2024
<i>Retiring today</i>		
Males	21.5	21.3
Females	24.3	24.3
<i>Future Pensioners*</i>		
Males	21.2	20.1
Females	25.2	25.1

* Figures assume members aged 45 as at the last formal valuation date.

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2025	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £'000
0.1% decrease in Real Discount Rate	2%	940
1 year increase in member life expectancy	4%	1,823
0.1% increase in the Salary increase Rate	0%	23
0.1% increase in the Pension Increase Rate	2%	943

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

The College's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	Long-term rate of return expected 31 July 2025 % per annum	Value at 31 July 2025 £'000	Long-term rate of return expected 31 July 2024 % per annum	Value at 31 July 2024 £'000
Equities	5.85%	36,444	5.20%	32,863
Bonds	5.85%	17,634	5.20%	17,527
Property	5.85%	3,527	5.20%	3,286
Cash	5.85%	1,175	5.20%	1,095
Total Market Value of Assets		58,780		54,770
Present value of scheme liabilities		(45,573)		(50,182)
Surplus/(deficit) in the scheme		13,207		4,590
Cumulative surplus not recognised		(13,207)		(4,590)
Surplus/(deficit) recognised on balance sheet		-		-

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

	Year ended 31 Jul 25	Year ended 31 Jul 24
Fair value of plan assets	58,780	54,772
Present value of plan liabilities	(45,573)	(50,182)
Cumulative surplus not recognised	(13,207)	(4,590)
Net pensions liability (Note 20)	(0)	(0)

Amounts included in staff costs

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Current service cost	(1,850)	(2,076)
Past service cost	-	-
Total	(1,850)	(2,076)

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

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

Amount recognised in Other Comprehensive income

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
(Loss)/Return on pension plan assets	(73)	515
Experience gains/(losses) arising on defined benefit obligations	503	(1,652)
Change in assumptions underlying the present value of plan liabilities	7,919	2,312
Actuarial gain not recognised as asset	(8,617)	(1,285)
Amount recognised in Other Comprehensive Income	(268)	(110)

Movement in net defined benefit liability during year

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Net defined liability in scheme at 1 August	-	-
Movement in year:		
Current service cost	(1,850)	(2,076)
Employer contributions	2,118	2,021
Past service cost	-	-
Net interest on the defined liability	-	-
Actuarial gain or loss	8,349	1,340
Actuarial gain not recognised as asset	(8,617)	(1,285)
Net defined liability at 31 July	0	0

Changes in the present value of defined benefit obligations

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Defined benefit obligations at start of period	50,182	46,894
Current service cost	1,850	2,076
Interest cost	2,539	2,407
Contributions by scheme participants	625	655
Experience (losses)/gains on benefit obligations	(503)	1,652
Changes in financial assumptions	(8,130)	(2,211)
Changes in demographic assumptions	211	(101)
Estimated benefits paid	(1,201)	(1,190)
Defined benefit obligations at end of period	45,573	50,182

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

Changes in fair value of plan assets

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Fair value of plan assets at start of period	54,772	50,199
Interest on plan assets	2,539	2,572
Return on plan assets	(73)	515
Employer contributions	2,118	2,021
Contributions by Scheme participants	625	655
Estimated benefits paid	(1,201)	(1,190)
Surplus not recognised	(13,207)	(4,590)
Fair value of plan assets at end of period	45,573	50,182

The estimated value of employer contributions for the year ended 31 July 2025 is £1,756,000.

24. Related Party Transactions

Due to the nature of the College's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. See notes 26 - 29 for details of related party transactions and balances.

25. Amounts Disbursed as Agent

Learner Support Funds

	Yr ended 31 Jul 25 £'000	Yr ended 31 Jul 24 £'000
Under spend brought forward	220	-
Funding body grants – discretionary learner support	1,957	1,934
Funding body grants – residential bursaries	-	-
Other Funding bodies grants	-	-
Interest earned	1	1
	2,178	1,935
Disbursed to students	(1,464)	(1,637)
Administration costs	(70)	(78)
Balance under/(over) spent as at 31 July 2025	644	220
Of which due to DfE in March 2026 / repaid to DfE	Nil	Nil

Discretionary learner support includes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM). Funding body grants are available solely for students; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

26. Truro and Penwith College Trust Fund

A separate charity, registered with the Charities Commission, raises money to help students of Truro and Penwith College, Callywith College, Shewula High School in Eswatini along with other young people across Cornwall by providing support towards the cost of educational trips, equipment and living costs. The charity currently has 5 trustees: the Accounting Officer and Chair of Governors from Truro and Penwith College along with the two other Governors from Callywith College and Truro and Penwith College and has recently recruited a further independent trustee. The charity is managed and controlled independently from the College and its results have not been consolidated.

The charity produces separate accounts, which show that at 31 July 2025 it has unrestricted reserves of £34,506 (2024: £34,321) and restricted reserves of £24,046 (2024: £17,953) with expenditure totalling £6,515 (2024: £9,718) for the period. The College manages the day-to-day functions of the Trust and during the period received donations on behalf of the Trust Fund and also made some payments on behalf of the Trust Fund, resulting in a balance of £679 (2024: £1,386) owed to the College at 31 July 2025. The majority of the Trust's income is through donations to the child sponsorship scheme supporting students in Eswatini and raising funds in relation to the joint trip to Eswatini undertaken by Truro and Penwith College and Callywith College where 40 students from both colleges visited the region and worked with the local communities.

27. Cornwall SCITT

The College is the responsible body for the Cornwall School Centred Initial Teacher Training programme (Cornwall SCITT). Separate bank accounts are maintained and financial statements submitted to the National College for Teaching & Leadership in the format prescribed by them. Cornwall SCITT is a consortium of up to 85 local nursery, primary and secondary schools including a Special School MAT and Truro and Penwith College offering training for the 3-11 and 11-16 age range with post 16 enhancements. Cornwall SCITT is managed independently from the College and its results have not been consolidated.

During 2024/25 the College recharged staff and other costs incurred on behalf of Cornwall SCITT totalling £447,292 (2024: £649,479).

28. Truro and Penwith Academy Trust

The College was instrumental in setting up and sponsoring Truro and Penwith Academy Trust, a multi academy trust which sponsors and supports primary and secondary schools in Cornwall. Truro and Penwith Academy Trust is a company limited by guarantee and has been established as an independent entity. The Trust has entered into a funding agreement with the Department for Education and is required to submit financial statements to the DFE in the format prescribed by them. The terms of the funding agreement ensure that the College does not exercise control over the Trust and therefore its results have not been consolidated. The Trust will publish its annual accounts on its website during January 2026 (<http://tpacademytrust.org>).

The support provided to the Trust by the College is at arm's length and in accordance with the College's financial procedures. During 2024/25 the College recharged costs incurred on behalf of the Trust totalling £166 (2024: £6,938). During the year the College made purchases totalling £195 (2024: £1,389) from the Trust. At the year-end £NIL (2024: £3,399) was due to the College from the Trust.

29. Callywith College Trust

The College was instrumental in setting up and sponsoring Callywith College Trust, a tertiary college in the east of the county which opened its doors to students for the first time in September 2017. Callywith College Trust is a company limited by guarantee and has been established as an independent entity. The Trust entered into a funding agreement with the Department for Education in 2017 and is required to submit financial statements to the DFE in the format prescribed by them. The terms of the funding agreement ensure that the College does not exercise control over the Trust and therefore its results have not been consolidated. The Trust will publish its annual accounts on its website during January 2026 (<http://www.callywith.ac.uk>).

The support provided to the Trust by the College is at arm's length and in accordance with the College's financial procedures. During 2024/25 the College recharged staff and other costs incurred on behalf of the Trust totalling £55,224 (2024: £144,450). In addition to this the College charged £319,748 (2024: £338,986) in respect of its provision of cross college support to the Trust. The College made this charge at cost and did not make a profit from the transaction. During the year the College made purchases totalling £8,947 (2024: £940) from the Trust. At the year-end £123,791 (2024: £186,718) was due to the College from the Trust.