Petroc

Report & Financial Statements

for the period ended 4 January 2026

Key Management Personnel, Board of Governors and Professional Advisers

Key Management Personnel

Key management personnel are defined as members of the Principal's Leadership Group and were represented by the following for the period ended 4 January 2026.

Kurt Hintz	Interim Principal and Chief Executive
Jason Jones	Deputy Principal
Bill Blythe	Vice Principal

Board of Governors

A full list of Governors up to dissolution is given on pages 16 to 17 of these financial statements.

Joanna Boardman acted as Director of Governance and Director of Executive Operations.

Professional Advisors

Statutory Auditors
Forvis Mazars
8th Floor
Assembly C
Cheese Lane
Bristol
BS2 0JJ

Internal Auditors
Validera
HW Controls & Assurance
Unit 3 Crompton Court
Attwood Road
Burntwood
Staffordshire
WS7 3GG

Bankers
Barclays plc
Lloyds Bank plc

Solicitors
Clarke Willmott
Eversheds Sutherland
Irwin Mitchell

Petroc

Report & Financial Statements

for the period ended 4 January 2026

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Strategic Report

Merger with Exeter College
Following completion of due diligence processes, public consultation and a thorough consideration of various factors in respect of benefits to students and staff, the Governors of Petroc resolved to merge with Exeter College to form the Exeter and North Devon Colleges Group (ENDC) with effect from 5 January 2026.

As part of the merger, the assets, liabilities and activities of Petroc were transferred to the Exeter College Corporation, which changed its name to ENDC, with the Corporation of Petroc subsequently being dissolved.

This report and financial statements are presented by the board of ENDC in the absence of the Governing Body that was in place during the period 1 August 2025 to 4 January 2026.

Mission, vision and values
During the autumn of 2024, the College updated its Strategic Plan and adopted a new plan for 2024/25 and 2025/26.

Mission: to inspire ambition and create opportunities for learners, staff, and our wider community.

Four key themes: delivering high-quality education, empowering our staff, securing financial stability, and meeting the skills needs of our community.

Core values: Respect, Integrity, Community, Communication, and Trust.

Public Value/Benefit Statement
Petroc was an exempt charity under Part 3 of the Charities Act 2011 and was regulated by the Secretary of State for Education. The members of the Governing Body, who were trustees of the charity, are disclosed on pages 16 and 17.

In setting and reviewing the College's strategic objectives, the Governing Body had due regard to the Charity Commission's guidance on public benefit and particularly 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 were for the public benefit.

In delivering its mission, the College provided identifiable public benefit through the advancement of education to over 2000 16-18 learners. It provided courses without charge to young people and adults, and adjusted its courses to meet the needs of local employers, providing training to apprentices.

Implementation of Strategic Plan
A Strategic Plan for 2024 to 2026 was adopted by the Board to run from 1 August 2024. with four strategic themes:

- Our Learners: Deliver high-quality education and training consistently across all programmes
- Our College: Secure Petroc's financial stability to ensure continued investment in its mission
- Our People: Empower a unified and engaged workforce committed to achieving Petroc's goals
- Our Community Build a responsive curriculum to meet local and national economic priorities

The College similarly adopted five values:

- Respect – Creating a culture of understanding and appreciation
- Integrity – Acting with honesty and professionalism in all we do
- Community – Working together to build a positive, inclusive environment

- Communication – Ensuring openness, collaboration, and shared understanding
- Trust – Building strong relationships based on reliability and mutual support

The College's financial priorities are:
- Good Financial Health: To be a financially sustainable organisation
- Pay and Conditions: Move toward competitive pay to attract and retain talented staff, aligning with budgetary capacity
- Our Estate: Develop and invest in facilities to create inspiring learning and teaching spaces, reflecting the College's ambition

Our high-level financial targets are:
- Achieve and maintain at least "Good" financial health as determined by the DfE financial health score
- Reinvest a minimum of 6% of income into the estate for capital equipment and improvements each year
- Reduce operational costs by 3% through efficiency measures

Stakeholders
The College had many stakeholders including:
- its current, future and past students
- its staff and their trade unions. The main trade unions of which College staff are members of are NEU and Unison
- the employers it works with
- its funding bodies; DfE and OfS
- its partner schools across Devon and North Cornwall and universities, namely Plymouth, University of Greater Manchester and Exeter with whom a Memorandum of Understanding was signed in 2023/24.
- the wider College community
- its local councils,
- Banks; Lloyds and Barclays

The College produces an annual accountability statement reflecting its engagement with the civic community, employers and its response to the Local Skills Improvement Plan. This Statement is published on the College website and shared with the DfE.

Student numbers
In the period ended 4 January 2026 the College enrolled 2,155 16-18-year-old students, 485 adult learners, 152 HE students and 626 Apprentices.

Finances
The College reported an operating surplus of £1.187m (2025: surplus of £1.142m). This includes pension charges of -£469k (2025: -£372k), fundamental restructuring costs incurred of £330k (2025: £166k).

The Statement of Comprehensive Income reflects an actuarial loss of £469k (2025: actuarial loss of £373k) on pension schemes in respect of FRS 102 (28).

In year, the College generated operational cash of £1.888m and overall cash balance increased by £41k.

The Defined Benefit Pension Liability was impacted by positive changes in financial assumptions/returns, no asset has been recognised in the accounts.

Looking forward, following the merger to form ENDC, all the financial affairs of Petroc have been subsumed within the reporting of that Corporation.

Performance Indicators

Key Performance Indicator	Target for 2025/26 (Full Year)	FEC' Measures / Expectation (Full Year)	Actual for period (01.08.25 - 04.01.26)
Operating surplus/deficit as a % of turnover	4.10%	Greater than 1%	6.09%
EBITDA as a % of income	11.52%	Greater than 6%	9.20%
Cash generation	£3.433m	n/a	£1.888m
Cash days	46	Greater than 25 (all months)	54
Adjusted current ratio	1.11	Greater than 1.4	0.91
Borrowing as a % of income	15.19%	n/a	23.34%
Debt Service Cover Ratio	2.85	Greater than 2	4.85
Financial Health Score	Good	Good/Outstanding	Good
Average Class Size – Overall	14	18	12.7
Staff utilisation	Greater than 97%	Greater than 97%	Greater than 97%
Staff costs as a % of income excluding restructuring, and sub-contracting	66.81%	Less than 65%	64.12%

The College is required to complete the annual Finance Record for the Department for Education (DfE). The College is assessed by the DfE as having a "Good" financial health grading.

Treasury Management
The College had treasury management arrangements in place to manage cash flow, banking arrangements, approval and compliancy process and the risk associated with those activities.

Principal Risks and Uncertainties
Petroc's Risk Management Processes and Procedures have undergone significant development over the past 5 years.

As part of this development, a new Strategic Risk Register was created in November 2022 with direct input from the Board of Governors. A 'cause and effect' approach to Strategic Risk was adopted which helped to develop a more focused Strategic Risk Register.

The strategic risk register has been regularly monitored and updated by the Executive throughout the period, with termly presentation to the Audit Committee.

There were 14 strategic risks recorded on the register at date of merger. These related to

- Loss of business continuity due to cyber attack
- Failure to enroll sufficient learner numbers on certain programmes
- Financial stability
- Learner attendance rates
- Recruitment and retention of staff
- Health and safety
- Safeguarding
- Corporate reputation management
- Estate vulnerabilities
- Achieving net zero carbon by 2035
- Merger

These issues will be considered by the ENDC corporation post-merger.

Taxation
The College believe that it is not liable for any Corporation Tax arising out of its activities during the period.

Employment of People with Disabilities

The College continues to be registered as a 'Disability Confident Scheme' employer and this is achieved by the College demonstrating that it is a proactive employer when seeking to employ people with disabilities.

The College actively invites applications for employment from people with disabilities as a routine element of its recruitment and selection procedures; and people who declare a disability and meet the essential criteria for a job role are shortlisted.

The College also actively encourages existing staff to declare a disability, so that appropriate support and reasonable adjustments can be made. In addition, where an existing employee develops a disability, reasonable adjustments, as far as practical, are made to ensure that employment can continue and that these staff are fully supported in their job roles.

The College also supports 'non-visible' disabilities and the College's Wellbeing & Mental Health Strategy and associated action plan strives to facilitate this, with initiatives such as the College becoming a Mindful Employer, which provides the College with easy access to professional workplace mental health training, information and advice; our goal is to help empower organisations – large or small – to take a lead in supporting the mental wellbeing of staff. The College has also signed the AoC Wellbeing & Mental Health charter, supporting all staff with wellbeing and good mental health.

Equality, Diversity and Inclusion (EDI)

Petroc is passionate about the value of people and all that they bring, diversity is welcomed and enriches our organisation.

Petroc is committed to challenging inequality and celebrating diversity to achieve the following vision:

- people achieve their own potential and a good quality of life
- everyone can access our services, facilities or information
- there is customer involvement and influence in decision-making, planning, policy and service delivery
- people have trust and confidence in us to report incidents of abuse or discrimination
- our community, at all levels, is supported and broadly reflects the local diversity

Petroc believes an environment free from discrimination and equality of opportunity are basic rights. The College has a zero tolerance approach to any form of discrimination.

The College has signed a LGBTQ (lesbian, gay, bisexual, transgender and questioning) Pledge. We know that it can be difficult to fully be yourself at work, at home, or in your local community. If we want to live in a world where people are accepted without exception, we all need to be part of the solution, that's why Petroc has decided to sign a pledge to support LGBTQ people. We want Petroc to be a safe place to be 'out' at work.

The College's Additional Learning Support Policy outlines the type of learning support that a learner can expect and how they should apply for support.

The College and its staff maintain the confidentiality and integrity of all information about individuals by complying with requirements set out in the General Data Protection Regulations 2021, the Special Educational Needs and Disabilities Regulations 2014, the Special Educational Needs and Disabilities Code of Practice, the Children and Families Act 2014 and the Equality Act 2010.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the main College site at Old Sticklepath Hill and the Tiverton campus.

The College has £14.3m of net assets (including £208k pension liability) and long-term debt of £5.1m. The College employs 455 people (expressed as average full-time equivalents), of whom 191 (expressed as average full-time equivalents) are teaching staff.

Trade Union Facility Time

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

Numbers of employees who were relevant period	FTE employee number
3	2.31

Percentage of time	Number of employees
0%	
1-50%	3
51-99%	
100%	
Total cost of facility time	£21,041
=Total pay bill	£14,463,293
Percentage of total bill spent on facility time	0.15%

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

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the period 1 August 2025 to 4 January 2026, the College paid 75% of its invoices within 30 days (year ended 31 July 2025 – 78%). Every effort is being made to seek improvement in this area. The College incurred no interest charges in respect of late payment for this period.

Going Concern

As highlighted above, Petroc merged with Exeter College to form the Exeter and North Devon Colleges Group (ENDC) with effect from 5 January 2026.

As part of the merger, the assets, liabilities and activities of Petroc were transferred to the Exeter College Corporation, which changed its name to ENDC, with the Corporation of Petroc subsequently being dissolved. As a result, these financial statements have been prepared on a basis other than the going concern basis. This does not result in any adjustments to the reported figures.

Events after the Reporting Period

On 5 January 2026, Petroc was dissolved and the net assets and activities were transferred to the Exeter College Corporation, which then changed its name to Exeter and North Devon Colleges Group (ENDC).

Approved by order of the members of the ENDC Corporation on 3 July 2026 and signed on its behalf by:

Adam Watt, Chair of Governors

Statement of Corporate Governance and Internal Control

Following dissolution of Petroc Corporation on 4 January 2026, the corporation of Exeter and North Devon Colleges Group (ENDC) has authority to sign these financial statements.

Members of the ENDC Corporation at the date of approval of these financial statements are:

Name	No of terms	Date of Appt.	Term of Office	End of term	Status of Appt.	Committees served
Professor Adam Watt (Chair) Chair from 01.08.25	1	22.04.25	4 years	21.04.29	External	**Chair:** Board **Chair:** Search and Governance Committee. Member: Remuneration Committee. Quality and Standards Committee.
Aimee Taylor	1	06.01.26	Current academic year	31.07.26	Student (FE NDC)	Quality and Standards Committee.
Albertina Mihaila	1	25.09.25	Current academic year	31.08.26	Student (HE Exeter)	Quality and Standards Committee.
Antony Hart	1	19.04.24	4 years	18.04.28	External	Quality and Standards Committee
Carol McCormack OBE	2	03.07.20 Reappointed 5 July 2024 for a further term from 02.07.24	4 years	01.07.28	External	**Chair:** Remuneration Vice Chair: Business Services Member: Search and Governance Committee.

Chelsy Ingram	1	01.09.25	Current Academic Year	31.08.26	Student (FE Exeter)	Quality and Standards Committee.
Cynthia Sedgman	1	01.06.23	4 years	31.05.27	External	Business Services Committee.
Damion Norcombe	1	19.04.24	4 years	18.04.28	External	Audit and Risk Assurance Committee.
Gaynor Castle	1	06.01.26	4 years	05.01.30	External	Business Services Committee.
Graham Atkins	1	01.06.23	4 years	31.05.27	External	Business Services Committee
Harrison Littler	1	01.08.25	2 years	31.07.27	External	Quality and Standards Committee.
John Laramy CBE DL		01.04.16	Ex officio			Business Services Committee. Quality and Standards Committee. Search and Governance Committee.
Dr Julie McLeod	1	06.01.26	4 years	05.01.30	External	Quality and Standards Committee.
Leanne Macey-Withey	1	06.01.26	Current academic year.	31.07.26	Staff (Business Support, NDC)	Quality and Standards Committee.
Neil Hitchings	2	07.02.20 Reappointed 29.01.24 for a further term	4 years	06.02.28	External	**Chair:** Business Services Committee.

		from 08.02.24				Member: Search and Governance Committee. Renumeration Committee.
Pamela DeGregorio	1	07.12.22	4 years *(To be reviewed at end of current academic year, due to merger).*	06.12.26	Staff (Teaching, EC)	Quality and Standards Committee.
Patricia Denham OBE	1	06.01.26	4 years	05.01.30	External	*From 1st May 2026* **Chair:** Quality and Standards Committee. *From 1st May 2026* Member: Search and Governance Remuneration
Phebe Corney	1	06.01.26	Current academic year	31.07.26	Student (FE NDC)	Quality and Standards Committee.
Rob Hutchins	2	15.03.21 Reappointed for a further term from 15.03.25	4 years	14.03.29	External	**Chair:** Audit and Risk Assurance Committee. Member: Search and Governance Committee. Renumeration Committee.
Robyn La Tragna	1	06.01.26	Current academic year	31.07.26	Staff	Quality and Standards Committee.

		Resignation 18.03.26			(Teaching, NDC)	
Sally Wolkowski	2	30.04.21 Reappointed for a further term from 29.04.25	4 years	28.04.29	External	Audit and Risk Assurance Committee.
Stephen Wiltshire	1	01.11.23 Resignation 09.03.26	4 years	31.10.27	External	Business Services Committee.
Stewart Noakes (Sustainability and Net Zero Lead Governor)	2	06.07.18 Reappointed 29.04.22 for a further term from 04.07.22	4 years	03.07.26	External	Business Services Committee.
Sue Clarke OBE (Safeguarding Lead Governor)	2	04.05.18 Reappointed 29.04.22 for a further term from 02.05.22 - 01.05.26	4 years	01.05.26	External	**Chair:** Quality and Standards Committee. Member: Search and Governance Committee, Remuneration Committee.
Professor Tim Quine	2	03.02.20 Reappointed 29.01.24 for a further term from 04.02.24	4 years	02.02.28	External	Vice Chair: Quality and Standards Committee.
Victoria Roberts	2	03.07.20 Reappointed for a further	4 years *(To be reviewed at end of current*	01.07.28	Staff (Business Support, EC)	Quality and Standards Committee.

		term from 02.07.24	*academic year, due to merger).*			
Dr Wilf Hudson (Careers Lead Governor)	1	01.01.25	4 years	31.12.28	External	Quality and Standards Committee.

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2025 to 4 January 2026 and up to the date of the merger with Exeter College on 5 January 2026.

The College is committed to using the Board Leadership and Company Purpose Principles set out in the UK Corporate Governance Code 2024 published by the Financial Reporting Council (FRC) on January 22, 2024, and applies to financial years starting on or after January 1, 2025, with a delayed application for Provision 29 regarding the directors' declaration on internal controls until January 1, 2026.

"The College has adopted the Code of Good Governance for English Colleges and has had regard to the principles of the UK Corporate Governance Code 2024 published by the Financial Reporting Council and, where appropriate for a further education corporation, seeks to apply these principles in its governance arrangements."

Provisions

1. The board should assess the basis on which the company generates and preserves value over the long-term. It should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy.

2. The board should assess and monitor culture and how the desired culture has been embedded. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the company's purpose, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken. In addition, it should include an explanation of the company's approach to investing in and rewarding its workforce.

3. In addition to formal general meetings, the chair should seek regular engagement with major stakeholders in order to understand their views on governance and performance against the strategy. Committee chairs should seek engagement with stakeholders on significant matters related to their areas of responsibility. The chair should ensure that the board has a clear understanding of the views of stakeholders.

4. When 20% or more of votes have been cast against the board recommendation for a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult stakeholders in order to understand the reasons behind the result. An update on the views received from stakeholders and actions taken should be published no later than six months after the shareholder meeting. The board should then provide a final summary in the annual report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what

impact the feedback has had on the decisions the board has taken and any actions or resolutions now proposed.

5. The board should understand the views of the company's other key stakeholders and describe in the annual report how these and the matters similar to those set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective.

For engagement with the workforce, one or a combination of the following methods should be used:

- Staff Governors
- Student Governors
- Union Engagement
- a designated non-executive director.

If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective. All arrangements are made with regard to the Code of Good Governance for English Colleges.

6. There should be a means for the workforce to raise concerns in confidence and if they wish anonymously. The board should routinely review these arrangements and the reports arising from their operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

7. The board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement.

8. Where directors have concerns about the operation of the board or the management of the company that cannot be resolved, their concerns should be recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chair, for circulation to the board, if they have any such concerns.

As it applies to the Further Education Sector the Board feels it has complied throughout the period ended 4 January 2026 and up to and including the date of approval of the financial statements.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges which it formally adopted in July 2015 and all subsequent updates to date. It is noted that the new Code of Good Governance was issued in September 2023 and the College formally adopted the new code in September 2025, and mapped the college business against the new principles to ensure full compliance and best practice.

Internal controls also include the use of:

- risk management framework
- audit committee oversight
- internal audit
- regular review of effectiveness

The College is an exempt charity within the meaning of part 3 of the Charities Act 2011, with any due notice paid by subsequent updates in 2016 and 2022. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm they have due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Corporation
The members (Governors) who served on the Corporation during the accounting period were as listed in Table 1.

Table 1: Governors serving on the College Board during the period ended 4 January 2026:

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Full Governing Body	Search and Governance	Remuneration Committee	People Committee	Audit Committee	Curriculum and Quality	Business Services	Attendance
Patricia Denham Chair	01/10/2021	4yr		External	3/3	1/1	2/2	3/3	X	0/1	X	90%
Richard Bevan	01/10/2021	4yr		External	3/3	1/1	2/2	0/3	X	X	1/1	70%
Stephen Wells	01/10/2022	4yr		External	1/3	1/1	X	X	X	X	1/1	60%
Hermione Williams-Copp	01/10/2023	4yr		External	2/3	X	X	3/3	X	X	1/1	86%
Neil Sherman	01/10/2023	4yr		External	2/3	X	2/2	X	1/1	X	X	84%
Dawn Stabb	10/10/2022	4yr		External	3/3	X	2/2	X	X	X	X	100%
Gaynor Castle	01/04/2024	4yr		External	3/3	1/1	X	X	X	X	1/1	100%
Martin McNeill	01/04/2024	4yr		External	3/3	X	2/2	X	1/1	X	X	100%
Julie McLeod	01/04/2024	4yr		External	3/3	X	X	3/3	X	1/1	X	100%

Leanne Macey-Withey	01/03/2025	3yr		Staff	3/3	X	X	X	X	X	1/1	100%
Jon Walton	01/09/2025	5mths		Parent	3/3	X	X	X	X	1/1	0/1	80%
Jon Triggs	01/08/2025	6mths		External	3/3	X	X	X	1/1	X	X	100%
Graham Hill	01/08/2025	6mths		External	3/3	X	X	X	X	X	0/1	75%
Robyn La Tragna	01/09/2025	3yr		Staff	3/3	X	X	X	X	1/1	0/1	80%
Phebe Corney	01/09/2025	2yr		Student	3/3	X	X	X	X	1/1	0/1	80%
Aimee Taylor	01/10/2025	2yr		Student	3/3	X	X	X	X	1/1	0/1	80%

Audit Committee Meetings

	Neil Sherman	Martin McNeill	Jon Triggs	Neil Sherman	Mark Tibbert (Co-Opted)
25/11/2025	x	x	x	x	x

The Instrument and Articles of Government permit the appointment of no less than 11 governors "who appear to the Corporation to have the necessary skills to ensure that the Corporation carries out its functions under article 3 of the Articles of Government". For ease of reference, these are designated as "External" members in the list above.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation usually meets 4/5 times a year. During the period ended 4 January 2026 it met 3 times as it was an exceptional year as the College entered into a Merger.

Full Board meetings are held in person and committee meetings are held virtually. Where an extraordinary Board meeting must be called it can be virtual to allow maximum attendance.

The Corporation had 6 formal committees running, each of which had terms of reference, which have been approved by the Corporation. The committees were Audit, People, Remuneration, Search & Governance, Curriculum and Quality and Business Services. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Director of Governance and Director of Executive Operations.

Petroc
Old Sticklepath Hill
Barnstaple
Devon
EX31 2BQ

Once approved, Full Board, Audit Committee, People Committee, Business Support Committee and Curriculum and Quality Committee minutes are also available on the College website www.petroc.ac.uk.

The Director of Governance and Executive Operations maintains a register of interests of the Governors. The register is available for inspection at the above address.

All members of the Corporation are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance and Director of Executive Operations , who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of that post are matters for the Corporation as a whole. The Board also maintains an account with Eversheds allowing them to seek independent legal and statutory advice.

Formal agendas, minutes, papers and reports are supplied to Corporation members in a timely manner, aiming at a minimum of 7 days in advance of the linked meetings and can also be provided on an ad-hoc basis where needed.

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 of the Corporation and the Principal and Chief Executive of the College are separate.

The Corporation undertakes a self-review of effectiveness on an annual basis which for this period took place in October 2025. The board further undertook its formal External Review with Goevrnance4FE which completed with a presentation to the Board in July 2024.

Training and development of the Corporation is undertaken through mandatory modules across a range of subjects provided by the College. In addition to this the Education Training Foundation has an online governor programme which is available to Governors although it is noted that there are reporting issues that are occurring. A refresh of the training modules occurred in October 2025; Ofsted training has also been included this period.

The Director of Governance and Executive Operations has undertaken online Association of Colleges (AOC) training, is a member of and has attended the Southwest Governance Professional Network meetings including an in person day event in collaboration with the AOC leads, is a member of the South West Clerks Network, completed the Governance Professionals Leadership Programme with the Education Training Foundation and has been awarded the Level 3 Certificate in Development for School and Trust Governance Professionals with the National Governance Association. They have also been awarded Level 5 Governance award with the ETF and has undertaken a Data Protection Officer programme with the Knowledge Academy.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee, which comprises a minimum of three to a maximum of 5 members which is responsible for the selection and nomination of external members for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office normally four years with an annual review process each year.

The People Committee
The Committee comprises a minimum of three to a maximum of 5 members and the committee's responsibilities are to review and make decisions on people matters including, but not limited to the People Strategy, KPIs, EDI and risks.

The Remuneration Committee
The Committee comprises a minimum of three to a maximum of 5 members and the committees responsibilities are to review and determine the remuneration of employment of senior post holders and the Director of Governance, approve and ensure compliance with all matters in relation to the Senior Post Holders performance, terms and conditions.

Audit Committee
The Audit Committee comprises a minimum of three to a maximum of five external members of the Corporation (excluding the Principal and Chief Executive and Chair). The committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's Internal and Financial Statements Auditors (including their work on regularity) who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the Funding Bodies as they affect the College's business. The Audit Committee open each meeting without the presence of the Executive to allow for independent discussion.

The College's Internal Auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and Internal Audit undertakes periodic follow up reviews to ensure that such recommendations have been implemented.

The Audit Committee also advise the Corporation on the appointment of Internal and Financial Statements Auditors and their remuneration for both audit and non-audit work.

Curriculum and Quality Committee
The Curriculum and Quality Committee comprises a minimum of three to a maximum of five external members of the Corporation. The committee's responsibilities are to focus on, and scrutinise curriculum strategy and performance, including the quality of teaching and learning. This forum provides an opportunity for Governors to become more closely involved in the development of the College's curriculum and the College's pursuit of high standards in all aspects of its work.

Business Services
The Business Services Committee comprises a minimum of three to a maximum of five external members of the Corporation. The committee's responsibilities are to focus on, and scrutinise the College's Financial and People Strategies. Areas contributing to the production and monitoring of Financial Regulations and Human Resources Policies and Procedures of the College will be considered by this Committee.

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 to the Principal and Chief Executive, as Accounting Officer, the day-to-day responsibility for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to the Principal and Chief Executive in the accountability agreement, funding agreements and contracts with the College and the DfE. The Principal and Chief Executive 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 Petroc for the year ended 4 January 2026 and up to and including the date of approval of the financial statements.

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 ended 4 January 2026 and up to the date of approval of the financial statements. This process is regularly reviewed by the Corporation.

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

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

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

New Framework and Guide
The "Framework and guide for external auditors and reporting accountants of colleges" is now the official replacement for the Post-16 Audit Code of Practice. Published by the Department for Education (DfE) in March 2025, it applies to further education colleges, sixth-form colleges, and designated institutions. The framework sets out audit and regularity assurance requirements for external auditors and reporting accountants of colleges. It came into effect on 1 August 2024.

Key Changes Introduced

- Terminology and Structural Updates: The new framework replaces the previously used Post-16 Audit Code of Practice while preserving its core requirements. It emphasises clarity around roles including accounting officers, auditors, governors, and internal audit teams and marks a shift in responsibility for signing the Statement of Regularity, Propriety and Compliance, now resting solely with the Accounting Officer.

- Narrowed Focus: There is an added annex (Annex C) that guides reporting accountants on priority areas for regularity testing notably, this aims to support a more risk-based and targeted approach.
- Preserving Continuity: Beyond formal changes, the substance of audit expectations remains largely unchanged, ensuring continuity while simplifying and centralising guidance frameworks.

Integration into the College Financial Handbook.

The updated College Financial Handbook 2025, effective 1 August 2025, absorbs elements previously covered by the Post-16 Audit Code of Practice—primarily relating to financial responsibilities and governance. This reflects a consolidation of oversight documents into one comprehensive resource.

Sector Governance Alignment
The Association of Colleges' (AoC) Code of Good Governance 2025 likewise reflects this transition: any reference to the Post-16 Audit Code of Practice has been updated to the new Framework and Guide for external auditors and reporting accountants of colleges.

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

- the work of the Internal Auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's Financial Statements and Regularity Auditors in their management letters and other reports.

The Principal and Chief Executive has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the Internal Auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The College Leadership 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 appropriate managers and the Audit Committee also receive regular reports from Internal Audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the College management and the Audit Committee, which also reviews the Strategic Risk Management and Board Assurance Plan at each of its termly meetings. The Board Assurance Framework adopted, which complements the College's existing risk management procedures, enables the Committee to assess what controls are in place, how these controls are monitored and whether they are sufficient to support the Board's and Accounting Officer's roles and responsibilities in providing the assurances required to be given. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Specific attention has been paid to the reclassification of colleges to the Public Sector through amendments to the Instruments and Articles of Board and related changes to Terms of Reference on relevant committees which assess such matters. This includes the oversight of the newly established systems and processes as well as updated and new policies and approvals designed to identify and handle any transactions for which Department for Education approval is now required.

At its December 2025 meeting the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering the Annual Report of the Internal Auditors, the Annual Report of the Audit Committee (including the Risk Management Report), the Board Assurance Framework and the Financial Audit Summary, and taking account of events since July 2025. Following consideration, the Board is of the opinion that it has adequate assurance of governance, risk management and control processes to manage the achievement of its statutory responsibilities 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 ENDC Corporation on 3 July 2026 and signed on its behalf by:

Adam A. Watt

Adam Watt, Chair of Governors

John Laramy, Group Principal and CEO

Statement of regularity, propriety and compliance

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm on behalf of the corporation, 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, 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.

John Laramy, Group Principal and CEO

3 July 2026

Statement of Responsibilities of the Members of the ENDC Corporation for the period ended 4 January 2026

The members of the ENDC Corporation of the College 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 agreed with the Department for Education (DfE) and the Corporation of the College, the Corporation, through its Principal and Chief Executive, is required to prepare financial statements for each financial year, in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction issued by the DfE and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the College and the result for that year.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable 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
- Prepare financial statements on a going concern basis unless it is inappropriate to assume that the College will continue in operation.

The ENDC Corporation is also required to prepare a report to the members which describes what Petroc was trying to do and how it is going about it, including the legal and administrative status of the Petroc and ENDC corporations.

The ENDC Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Petroc corporation, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the Corporation and to prevent and detect fraud and other irregularities.

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

Members of the Petroc Corporation were responsible for ensuring that expenditure and income were applied for purposes intended by Parliament and that financial transactions conform to the authorities that govern them. In addition, they were responsible for ensuring that funds from the DfE, and any other public funds, were used only in accordance with DfE's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the DfE or any other public funder.

Members of the Petroc Corporation ensured that there were appropriate financial and management controls in place sufficient to safeguard public and other funds and ensured that they were used properly. In addition, Members of the Petroc Corporation were responsible for securing the economical, efficient and effective management of the Petroc Corporation's resources and expenditure, so that the benefits to be derived from the application of public funds from the DfE and other public bodies were not at risk.

Disclosure of Information to Auditors

The members of the ENDC Corporation 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 ENDC Corporation on 3 July 2026 and signed on its behalf by:

Adam A. Watt

Adam Watt, Chair of Governors

3 July 2026

Independent auditor's report to the members of Petroc College

Opinion

We have audited the financial statements of Petroc College (the 'College') and its subsidiary (the 'Group') for the period ended 04 January 2026 which comprise the Group and College Statement of Comprehensive Income and Expenditure, the Group and College Statement of Changes in Reserves, the Group and College Balance Sheet, the Group Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 04 January 2026 and of the Group's and College's surplus of income over expenditure for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Emphasis of Matter

We draw attention to Note 1 in the financial statements, which explains that the College merged with Exeter College to form the Exeter and North Devon Colleges Group (ENDC) with effect from 5 January 2026. As part of the merger, the assets, liabilities and activities of Petroc College were transferred to the Exeter College Corporation and therefore the members do not consider it to be appropriate for Petroc College to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the College and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the Members of the Corporation, statement of corporate governance and internal control and Statement of Responsibilities of the Members of the corporation.

We have nothing to report in respect of the following matters in relation to which the Framework and guide for external auditors and reporting accountants of colleges issued by the Department for Education requires us to report to you if, in our opinion:

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

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 23, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Group and the College and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the DfE funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, HM Treasury's "Managing public money ".

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the College which were contrary to applicable laws and regulations, including fraud.

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

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

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

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

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

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

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

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

Use of the audit report

This report is made solely to the Corporation as a body 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:

Forvis Mazars LLP

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Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
8th Floor, Assembly Building C
Cheese Lane, Bristol
BS2 0JJ
United Kingdom
Date 08 July 2026

Petroc

Consolidated Statements of Comprehensive Income and Expenditure for the period ended 4 January 2026

	Notes	Period ended 4 January 2026		Year ended 31 July 2025	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	2	10,009	10,009	21,644	21,644
Tuition fees and education contracts	3	2,216	2,216	5,760	5,760
Other income	4	677	677	1,650	1,650
Investment income		17	17	-	-
Total income		**12,919**	**12,919**	**29,054**	**29,054**
EXPENDITURE					
Staff costs	5	7,542	7,542	17,979	17,979
Fundamental restructuring costs		330	330	166	166
Other operating expenses	6	2,556	2,554	6,458	6,453
Depreciation		1,384	1,361	2,985	2,985
Interest and other finance costs	7	(107)	(107)	206	206
Total expenditure		**11,705**	**11,680**	**27,794**	**27,789**
Surplus for the period/year before other gains and losses		**1,214**	**1,239**	**1,260**	**1,265**
Unrealised (loss) in respect of foreign exchange transactions		-	-	(1)	(1)
Fair value adjustment – Investment property		(25)	(25)	-	-
Loss on impairment		-	-	-	-
Loss on disposal of assets		(2)	(2)	(117)	(117)
Surplus for the period/year		**1,187**	**1,212**	**1,142**	**1,147**
Actuarial (loss) in respect of pensions schemes	23	(469)	(469)	(373)	(373)
Total Comprehensive Income for the period/year		**718**	**743**	**769**	**774**
Surplus for the period/year attributable to:					
Non-controlling interest		-	-	-	-
Group		**1,187**	**1,212**	**1,142**	**1,147**
Total Comprehensive Income for the period/year attributable to:					
Non-controlling interest		-	-	-	-
Group		**718**	**743**	**769**	**774**

See going concern paragraph under accounting policies.

Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Restricted reserves	Total
	£'000	£'000	£'000	£'000
Group				
Balance at 1 August 2024	10,774	2,061	-	12,835
Surplus from the income and expenditure account	1,260	-	-	1,260
Other comprehensive income	(491)	-	-	(491)
Transfers between revaluation and income and expenditure reserves	274	(274)	-	-
	1,043	(274)	-	769
Balance at 31 July 2025	11,817	1,787	-	13,604
Surplus from the income and expenditure account	1,214	-	-	1,214
Other comprehensive income	(496)	-	-	(496)
Transfers between revaluation and income and expenditure reserves	114	(114)	-	-
Total comprehensive income	**832**	**(114)**	**-**	**718**
Balance at 4 January 2026	**12,649**	**1,673**	**-**	**14,322**
College				
Balance at 1 August 2024	10,777	2,061	-	12,838
Surplus from the income and expenditure account	1,265	-	-	1,265
Other comprehensive income	(491)	-	-	(491)
Transfers between revaluation and income and expenditure reserves	274	(274)	-	-
	1,048	(274)	-	774
Balance at 31 July 2025	11,825	1,787	-	13,612
Surplus from the income and expenditure account	1,239	-	-	1,239
Other comprehensive income	(496)	-	-	(496)
Transfers between revaluation and income and expenditure reserves	114	(114)	-	-
Total comprehensive income	**857**	**(114)**	**-**	**743**
Balance at 4 January 2026	**12,682**	**1,673**	**-**	**14,355**

Petroc

Balance sheet as at 4 January 2026

	Notes	Group 2026 £'000	College 2026 £'000	Group 2025 £'000	College 2025 £'000
Non-current assets					
Tangible fixed assets	9	43,395	37,431	41,067	35,389
Intangible assets	10	22	22	33	33
Investments	11	-	6,500	-	6,500
Investment property	12	725	725	750	750
		44,142	**44,678**	**41,850**	**42,672**
Current assets					
Stocks	13	35	35	35	35
Trade and other receivables	14	5,282	5,282	2,905	2,905
Cash and cash equivalents	19	3,619	3,604	3,578	3,499
		8,936	**8,921**	**6,518**	**6,439**
Creditors – amounts falling due within one year	15	(12,218)	(12,706)	(8,111)	(8,846)
Net current (liabilities)		**(3,282)**	**(3,785)**	**(1,593)**	**(2,407)**
Total assets less current liabilities		**40,860**	**40,893**	**40,257**	**40,265**
Creditors – amounts falling due after more than one year	16	(26,101)	(26,101)	(26,363)	(26,363)
Provisions					
Defined benefit obligations	18	(208)	(208)	(219)	(219)
Other provisions	18	(229)	(229)	(71)	(71)
Total net assets		**14,322**	**14,355**	**13,604**	**13,612**
Restricted reserves		-	-	-	-
Unrestricted reserves					
Income and expenditure account		12,649	12,682	11,817	11,825
Revaluation reserve		1,673	1,673	1,787	1,787
Total unrestricted reserves		**14,322**	**14,355**	**13,604**	**13,612**
Total reserves		**14,322**	**14,355**	**13,604**	**13,612**

The financial statements on pages 29 to 62 were approved and authorised for issue by the ENDC corporation on 3 July 2026 and were signed on its behalf on that date by:

Adam Watt, Chair of Governors

John Laramy, Group Principal and CEO

Petroc

Consolidated Statement of Cash Flows as at 4 January 2026

	Notes	2026 £'000	2025 £'000
Cash flow from operating activities			
Surplus for the period/year		1,187	1,142
Adjustment for non-cash items			
Depreciation		1,384	2,985
Release of capital grants		(688)	(1,453)
Decrease in stocks		-	1
(Increase)/decrease in debtors		(2,848)	768
Increase/(decrease) in creditors		3,049	(2,589)
Increase/(decrease) in provisions		146	(220)
Pensions costs less contributions payable		(469)	(386)
Adjustment for investing or financing activities			
Investment income		(17)	-
Interest payable		117	288
Taxation paid		-	-
Fair Value adjustment on investment property		25	-
Unrealised gain on foreign currency		-	1
Loss on impairment of fixed assets		-	-
Loss on sale of fixed assets		2	117
Net cash flow from operating activities		1,888	654
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Disposal of non-current asset investments		-	-
Investment income		17	-
Payments made to acquire fixed assets		(1,458)	(3,126)
		(1,441)	(3,126)
Cash flows from financing activities			
Interest paid		(107)	(276)
New loans		-	3,619
Repayments of amounts borrowed		(299)	(592)
		(406)	2,751
Increase in cash and cash equivalents in the period/ year		**41**	**279**
Cash and cash equivalents at beginning of the period/year	19	3,578	3,299
Cash and cash equivalents at end of the period/year	19	3,619	3,578

The College has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the College in its separate financial statements.

Petroc

Notes to the Accounts

1. Accounting policies

Standard Information

The Corporation was established in the United Kingdom under the Further and Higher Education Act 1992 for the purpose of conducting the activities of a College. In August 2008, North Devon College merged with East Devon College and, with effect from 23 September 2009, the Secretary of State for the Department for Business Innovation and Skills formally approved the change of name of the Corporation and College to Petroc. The College was 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 of Education.

Registered Address:
Old Sticklepath Hill
Barnstaple
Devon
EX31 2BQ

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, the OfS Accounts Direction* 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.

Following the Office for National Statistics (ONS) reclassification of FE colleges and their subsidiaries on the 29th November 2022 to the central government sector, the regulatory framework for colleges has expanded to take into account the financial management requirements of HMT Managing Public Money (MPM). 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 using previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary Petroc Energy Services Limited, controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.

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

Going concern
Petroc merged with Exeter College to form the Exeter and North Devon Colleges Group (ENDC) with effect from 5 January 2026.

As part of the merger, the assets, liabilities and activities of Petroc were transferred to the Exeter College Corporation, which changed its name to ENDC, with the Corporation of Petroc subsequently being dissolved. As a result, these financial statements have been prepared on a basis other than the going concern basis. This does not result in any adjustments to the reported figures.

Recognition of income
Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102.

Recurrent grant income receivable from the DfE is recognised in line with the latest funding allocation attributable to the current period. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. 16-18 learner responsive core funding is not subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OFS represents the funding allocation attributable to the current period and is credited direct to the Statement of Comprehensive Income.

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

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

Income from tuition fees is recognised in the period for which it relates to and includes all fees chargeable to students or their sponsors.

Post-retirement benefits
Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

TPS
Contributions to the TPS are charged to the income and expenditure 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 payrolls. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

LGPS
The assets of the LGPS are measured using bid values. The scheme liabilities are measured using a 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 liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net

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

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

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

Termination benefits
Payments made in accordance with statutory Government regulations, Managing Public Money requirements and in accordance with the policies approved by the Governing Body. All such payments must be authorised by the Principal and Chief Executive, and calculations checked by HR Department.

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

Non-Current Assets – Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings
Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at historic purchase cost less accumulated depreciation. Freehold land is not depreciated. Freehold buildings are depreciated using component account principles, depreciation rates are as follows;

Component Heading	Depreciation Years
Roof Structure	30
Lift	10
Windows & External doors	25
Electrics	20
Mechanical Engineering	20
Other	Equal instalments over their estimated remaining useful life
Renewable Energy Assets	10 - 30

Leasehold building improvements are depreciated over the life of the lease.

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 income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1997, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction
Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 4 January 2026. They are not depreciated until they are brought into use.

Equipment
Generally, equipment costing less than £2,000 per individual item is written off to the income and expenditure account in the period of acquisition. Equipment inherited from the local education authority is included in the balance sheet at valuation. All other equipment is stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Equipment is depreciated over its useful economic life as follows:

Fixtures, fittings and general equipment	20% per year on a straight-line basis
Computer equipment	20% per year on a straight-line basis

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 income account within creditors and released to the income and expenditure account over the expected useful economic life of the related equipment. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible Fixed Assets
Combinations that are in substance a gift are accounted for in accordance with FRS 102 Section 19 except that the excess/deficit of the fair value of assets received over the fair value of the liabilities assumed is recognised as a gain/loss in income and expenditure.

Intangible assets are amortised over their useful economic life as follows:

Software	Between 3 and 5 years on a straight-line basis
Other	Between 3 and 5 years on a straight-line basis

Amortisation is included within depreciation on the Statement of Comprehensive Income.

Investments
Investment property held as non-current assets, are stated at fair value with the valuation obtained from an annual valuation carried out by an independent valuer, with movements recognised in Comprehensive Income. Intercompany equity investments comprise of share capital purchasing between the College and its subsidiary company 'Petroc Energy Services Limited.'

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

Inventories
Inventories consist of consumables. Inventories are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Inventories are measured using the FIFO basis.

Maintenance of premises
The cost of routine corrective maintenance is charged to the income and expenditure account in the year in which it is incurred.

Foreign currency translation
Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Taxation
As an Exempt Charity the College benefits by being broadly exempt from Corporation Tax on income it receives from tuition fees, interest and rents.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element 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 assets as appropriate.

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

Cash & Cash Equivalents
Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities.

Reserves
The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities.

Provisions
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 obligation.

Agency arrangements
The College acts as an agent in the collection and payment of Discretionary Learner Support Funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in Note 25, except for the 5% of the grant received which is available to the College to cover administration costs relating to the grant.

Judgements in applying accounting policies
In preparing these financial statements, management have made the following judgements:

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

Other key sources of estimation uncertainty

- Tangible fixed assets, 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.

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 23, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 4 January 2026. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding body grants

	P/end 4 January 2026 Group £'000	2026 College £'000	Y/end 31 July 2025 Group £'000	2025 College £'000
Recurrent grants				
DfE – 16-18	7,126	7,126	14,185	14,185
DfE – adult education budget	481	481	1,702	1,702
DfE – apprenticeships	1,224	1,224	2,877	2,877
Office for students	33	33	159	159
Specific grants				
Teacher pension scheme contribution grant	311	311	859	859
Post 16 national insurance grant	120	120	96	96
DfE - other non-recurrent grants	163	163	587	587
Releases of government capital grants	545	545	1,164	1,164
OfS specific grant	6	6	15	15
Total	**10,009**	**10,009**	**21,644**	**21,644**

2a OfS

	P/end 4 January 2026 Group £'000	2026 College £'000	Y/end 31 July 2025 Group £'000	2025 College £'000
Grant Income from the OfS	33	33	159	159
Fee Income for taught awards	391	391	1,257	1,257
Fee income from non-qualifying courses	-	-	2	2
Total	**424**	**424**	**1,418**	**1,418**

3 Tuition fees and education contracts

	P/end 4 January 2026 Group £'000	2026 College £'000	Y/end 31 July 2025 Group £'000	2025 College £'000
Adult education fees	9	9	23	23
Apprenticeship contracts	2	2	18	18
Fees for FE loan supported courses	95	95	284	284
Fees for HE loan supported courses	391	391	1,257	1,257
Full cost fees	75	75	73	73
Total tuition fees	**572**	**572**	**1,655**	**1,655**
Local authorities and schools	1,574	1,574	3,860	3,860
Higher education	70	70	245	245
Total	**2,216**	**2,216**	**5,760**	**5,760**

4 Other income

	P/end 4 January		Y/end 31 July	
	2026	2026	2025	2025
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grant income	111	111	165	165
Non-government capital grants	137	137	275	275
Other income	429	429	1,210	1,210
Total	**677**	**677**	**1,650**	**1,650**

5 Staff costs – Group and College

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

Headcount	**2026 No.**	**2025 No.**
Teaching staff	236	244
Non-teaching staff	339	352
	575	**596**

Full-time equivalents	**2026 No.**	**2025 No.**
Teaching staff	191	184
Non-teaching staff	264	227
	455	**411**

	2026 £'000	**2025 £'000**
Staff costs for the above persons		
Wages and salaries	5,496	13,496
Social security costs	708	1,333
Other pension costs	1,424	3,215
LGPS non-cash service costs	(245)	(292)
Payroll sub total	**7,383**	**17,752**
Contracted out staffing services	159	227
	7,542	**17,979**
Fundamental restructuring costs – contractual	330	166
- non-contractual	-	-
Total staff costs	**7,872**	**18,145**

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Principal's Leadership Group which comprises the Principal and Chief Executive, Deputy Principal and Vice Principal. Staff costs include compensation paid to key management personnel for loss of office.

Emoluments of key management personnel including the Principal and Chief Executive

	2026 No.	**2025 No.**
The number of key management personnel including the Principal and Chief Executive was:	3	3

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

	Key management personnel	
	2026	2025
	No.	No.
£95,001 to £100,000 p.a.	-	1
£100,001 to £105,000 p.a.	1	1
£105,001 to £110,000 p.a.	1	-
£165,001 to £170,000 p.a.	-	1
£170,001 to £175,000 p.a.	1	-
	3	**3**

No key management personnel are part time.

Key management personnel emoluments are made up as follows:

	2026 £'000	2025 £'000
Salaries	161	345
Performance Related Pay	10	18
Employers National Insurance contributions	25	48
Benefits in kind	-	-
	196	411
Pension contributions	43	94
Total key management personnel emoluments	**239**	**505**

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

The above emoluments includes amounts payable to the Principal and Chief Executive (who is also the highest paid senior post-holder) of:

	2026 £'000	2025 £'000
Salary	72	142
Performance Related Pay	10	18
Benefits in Kind	-	-
	82	160
Pension Contributions	22	46

Acting Principal and Chief Executive, following the departure of the Principal and Chief Executive on 5th July 2024, the interim Principal and Chief Executive was appointed from 19th August 2024.

	2026 £'000	2025 £'000
Salary	-	5
Benefits in Kind	-	-
	-	5
Pension Contributions	-	1

The Corporation has adopted the AoC Code of Good Governance (2023) and, on an "apply or explain" basis, the Colleges' Senior Post Holder Remuneration Code.

The remuneration package of Senior Post Holders (including the Accounting Officer/Principal & CEO) is reviewed annually by the Remuneration Committee. In reaching decisions, the Committee considers institutional performance, individual objectives, affordability, internal equity, and external market benchmarking (drawing on sector and wider public market data as appropriate). Where benchmarking is used, the Committee records the comparators and rationale.

Following sector reclassification, the College complies with HMT/DfE senior pay controls. Where required, prior approval is sought (e.g., for new appointments with total remuneration above the prevailing threshold) and decisions are documented in line with the Treasury process.

The Remuneration Committee receives performance reports and objectives for the coming year via the Chair of the Corporation for the Principal and CEO Accounting Officer (and the Director of Governance), and via the Interim Principal and CEO for both the Deputy and Vice Principal.

Performance is assessed through the College's Performance & Development Review framework against objectives derived from the College strategy, using a mix of qualitative and quantitative measures. Outcomes inform remuneration decisions and are recorded in the Committee's annual report

From August 2024 the college employed an Interim Principal and CEO who was set performance targets on a 3 monthly cycle which were reviewed and when approved released a portion of the £17,500 performance related pay allowance allocated to them across the year. No other Senor Post Holder roles attracted any performance related pay enhancements.

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

	2026	2025
Principal and Chief Executive's basic salary as a multiple of the median of all staff	5.2	5.2
Principal and Chief Executive's total remuneration as a multiple of the median of all staff	5.7	5.7

Based on staff on the payroll at the end of the period (contracted and casual) and excludes agency workers.

Compensation for loss of office paid to former key management personnel

	2026 £'000	2025 £'000
Compensation paid to former senior post-holder	22	-
Estimated value of other benefits, including provisions for pension benefits	128	-

Severance payments are made in accordance with relevant legislation and in accordance with the policies approved by the Governing Body. Professional advice is obtained where necessary. All such payments must be authorised by the Principal and Chief Executive and in accordance with Management Public Money requirements.

The members of the Corporation other than the Principal and Chief Executive and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties and one staff member received a relocation package.

Severance payment for all staff

The College paid 7 severance payments in the period, disclosed in the following bands:

	2026 No.	2025 No.
0 – £25,000	5	11
£25,001 to £50,000	-	1
£50,001 to £100,000	1	-
£100,001 to £150,000	1	-
£150,000+	-	-
	7	12

Included in staff restructuring costs there are special severance payments totaling £2,500, 1 payment (2025: £8,845, 1 payment).

5a Access and Participation spending

	P/end 4 January 2026 Group £'000	2026 College £'000	Y/end 31 July 2025 Group £'000	2025 College £'000
Access investment	16	16	57	57
Financial support to students	15	15	51	51
Disability support	1	1	10	10
Research and evaluation	12	12	30	30
Total	**44**	**44**	**148**	**148**

Includes staffing costs of £29,212 (2025: £90,595) which are included within Note 5.

A copy of our published Access and Participation Plan 2025-26 to 2028-29 is available on the College's website.

6 Other operating expenses

	P/end 4 January 2026 Group £'000	2026 College £'000	Y/end 31 July 2025 Group £'000	2025 College £'000
Teaching costs	449	449	1,457	1,457
Non-teaching costs	1,463	1,461	3,152	3,147
Premises costs	644	644	1,849	1,849
Total	**2,556**	**2,554**	**6,458**	**6,453**

Other operating expenses include:	2026 Group £'000	2026 College £'000	2025 Group £'000	2025 College £'000
Auditors' remuneration:				
Financial statements audit	38	38	41	41
Internal audit fees	8	8	31	31
Hire of plant and machinery under operating leases	14	14	25	25
Hire of other assets under operating leases	14	14	23	23

A total of 57 approved write offs occurred during the period at a value of £79,818 (2025: 105 at a value of £80,295).

7 Interest and other finance costs – Group and College

	2026 £'000	**2025 £'000**
On bank loans	117	288
Interest on enhanced pension provision (note 18)	-	12
Net interest on defined pension liability (note 23)	(240)	(130)
Administration expenses (note 23)	16	36
	(107)	**206**

8 Taxation – Group only

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

9 Tangible fixed assets - Group

	Land and buildings Freehold £'000	Equipment £'000	Assets in courses of construction	Total
Cost or valuation				
At 1 August 2025	58,931	14,658	8,463	82,052
Additions	181	561	2,962	3,704
Transfers within PPE	10,849	70	(10,919)	-
Transfer to investment Property	-	-	-	-
Impairment	-	-	-	-
Disposals	-	(299)	(2)	(301)
At 4 January 2026	**69,961**	**14,990**	**504**	**85,455**
Depreciation				
At 1 August 2025	28,419	12,566	-	40,985
Charge for the year	967	407	-	1,374
Transfers within PPE	-	-	-	-
Transfer to investment Property	-	-	-	-
Impairment	-	-	-	-
Disposals	-	(299)	-	(299)
At 4 January 2026	**29,386**	**12,674**	**-**	**42,060**
Net book value at 4 January 2026	**40,575**	**2,316**	**504**	**43,395**
Net book value at 31 July 2025	30,512	2,092	8,463	41,067

Tangible fixed assets – College

	Land and buildings Freehold £'000	Equipment £'000	Assets in courses of construction	Total
Cost or valuation				
At 1 August 2025	58,931	14,658	2,785	76,374
Additions	181	561	2,652	3,394
Transfers within PPE	4,861	70	(4,931)	-
Transfer to investment Property	-	-	-	-
Impairment	-	-	-	-
Disposals	-	(299)	(2)	(301)
At 4 January 2026	**63,973**	**14,990**	**504**	**79,467**
Depreciation				
At 1 August 2025	28,419	12,566	-	40,985
Charge for the year	955	395	-	1,350
Transfers within PPE	-	-	-	-
Transfer to investment Property	-	-	-	-
Impairment	-	-	-	-
Disposals	-	(299)	-	(299)
At 4 January 2026	**29,374**	**12,662**	**-**	**42,036**
Net book value at 4 January 2026	**34,599**	**2,328**	**504**	**37,431**
Net book value at 31 July 2025	30,512	2,902	2,785	35,389

10 Intangible assets – Group and College

	Software £'000	Other £'000	Total £'000
Cost or valuation			
At 31 July 2025	93	50	143
Transfers	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 4 January 2026	93	50	143
At 31 July 2025	71	39	110
Charge for the year	7	4	11
Disposals	-	-	-
At 4 January 2026	78	43	121
Net book value			
At 4 January 2026	15	7	22
At 31 July 2025	22	11	33
Inherited at valuation	-	-	-
Financed by capital grant	1	-	1
Other at cost/valuation	14	7	21
	15	7	22

11 Investments

	P/end 4 January 2026 Group £'000	2026 College £'000	Y/end 31 July 2025 Group £'000	2025 College £'000
Investments in subsidiary	-	6,500	-	6,500
Total	**-**	**6,500**	**-**	**6,500**

The college owns 100% of the issued ordinary £100 shares of Petroc Energy Services Limited, a company incorporated in England and Wales. The company is responsible for managing the College's PSDS decarbonisation Salix capital programme which will, by using renewable technologies (and through the installation of solar panels, air source heat pumps and optimised battery technology) see the generation of renewable energy for the College. The principal business activity of Petroc Energy Services Limited sees the renewable energy supply managed and sold to the College at prevailing market rates.

12 Investment Property – College and Group

	2026 £'000	2025 £'000
At 1 August 2025	750	750
Additions	-	-
Transfer from property, plant and equipment	-	-
Transfer to property, plant and equipment	-	-
(Decrease) in value	(25)	-
At 4 January 2026	**725**	**750**

13 Stocks – Group and College

	2026 £'000	2025 £'000
Commercial trading activities	35	35

14 Trade and other receivables

	Group 2026 £'000	College 2026 £'000	Group 2025 £'000	College 2025 £'000
Amounts falling due within one year:				
Trade receivables	3,576	3,576	1,052	1,052
Amounts owed by group undertakings:				
Subsidiary undertakings	-	22	-	98
Associate undertakings	-	-	-	-
Prepayments and accrued income	750	750	643	643
Other receivables	295	273	124	26
Amounts owed by the DfE	661	661	1,086	1,086
Total	**5,282**	**5,282**	**2,905**	**2,905**

15 Creditors: amounts falling due within one year

	Group 2026 £'000	College 2026 £'000	Group 2025 £'000	College 2025 £'000
Bank loans and overdrafts	2,166	2,166	926	926
Payments received in advance	4,195	4,195	1,438	1,438
Trade payables	1,836	1,833	2,971	2,971
Amounts owed to group undertakings:				
Subsidiary undertakings	22	621	98	837
Corporation tax	-	-	-	-
Other taxation and social	404	404	299	298
Accruals and deferred income	1,139	1,031	852	849
Deferred income - government capital grants	2,056	2,056	1,453	1,453
Other payables	370	370	71	71
Amounts owed to the DfE	30	30	3	3
Total	**12,218**	**12,706**	**8,111**	**8,846**

Trade payables include holiday pay accrual of £325,683 (2025: £742,646).

16 Creditors: amounts falling due after one year

	Group 2026 £'000	College 2026 £'000	Group 2025 £'000	College 2025 £'000
Bank loans	2,969	2,969	4,509	4,509
Deferred income - government capital grants	23,132	23,132	21,854	21,854
Total	**26,101**	**26,101**	**26,363**	**26,363**

Analysis of Change in net Debt - Group

	As at 31 July 2025 £'000	Cash Flows £'000	Finance Leases £'000	Other non-cash changes £,000	As at 4 January 2026 £'000
Cash and cash equivalent					
Cash	3,578	41	-	-	3,619
Treasury Deposits	-	-	-	-	-
	3,578	41	-	-	3,619
Borrowings					
Debt due within 1 year	(926)	299	-	(1,539)	(2,166)
Debt more than 1 year	(4,509)	-	-	1,539	(2,970)
Finance Leases	-	-	-	-	-
	(1,857)	**340**	**-**	**-**	**(1,517)**

Analysis of Change in net Debt - College

	As at 31 July 2025	Cash Flows	Finance Leases	Other non-cash changes	As at 4 January 2026
	£'000	**£'000**	**£'000**	**£,000**	**£'000**
Cash and cash equivalent					
Cash	3,499	105	-	-	3,604
Treasury Deposits	-	-	-	-	-
	3,499	105	-	-	3,604
Borrowings					
Debt due within 1 year	(926)	299	-	(1,539)	(2,166)
Debt more than 1 year	(4,509)	-	-	1,539	(2,970)
Finance Leases	-	-	-	-	-
	(1,936)	**404**	**-**	**-**	**(1,532)**

17 Analysis of borrowing – Group and College

	2026 £'000	2025 £'000
Bank loans		
Repayable as follows:		
- in one year or less	2,166	926
- between one and two years	162	935
- between two and five years	1,950	2,807
- in five years or more	858	767
	5,136	**5,435**

All Barclays loans are due within one year, totalling £2.004m. Remaining amounts both due within one year and after one year relates to the loan from Department for Education. The loan is unsecured and interest rate is based on the PWLB fixed rate.

18 Provisions – Group and College

	Defined benefit obligations	Restructuring	Enhanced pensions	Other	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2025	-	-	219	71	290
Expenditure in the period	(245)	-	(11)	(71)	**(327)**
Additions in period	245	229	-	-	**474**
At 4 January 2026	**-**	**229**	**208**	**-**	**437**

The College has provided for restructuring costs of £228,989 (2025: £Nil) as a result of the planned merger.

The enhanced pensions provision relates to the entitlements of staff taking early retirement under the 1993 incorporation reorganisation programme. This amount represents the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to Petroc of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

The principal assumptions for this calculation are:

	2026	2025
Interest rate	5.8%	5.8%
Inflation rate	2.8%	2.8%

The provision includes £Nil (2023: £Nil in respect of former senior post-holders).

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension scheme. Further details are given in Note 23.

19 Cash and cash equivalents - Group

	1 August 2025	Cash flows	Other changes	4 January 2026
	£'000	£'000	£'000	£'000
Cash and cash equivalents	3,578	41	-	3,619
Overdrafts	-	-	-	-
Total	**3,578**	**41**	**-**	**3,619**

Cash and cash equivalents - College

	1 August 2025	Cash flows	Other changes	4 January 2026
	£'000	£'000	£'000	£'000
Cash and cash equivalents	3,499	105	-	3,604
Overdrafts	-	-	-	-
Total	**3,499**	**105**	**-**	**3,604**

20 Capital and other commitments

	Group 2026 £'000	College 2026 £'000	Group 2025 £'000	College 2025 £'000
Commitments contracted for at 4 January	609	570	2,550	2,238

21 Lease obligations - Group and College

At 4 January, the College had minimum lease payments under non-cancellable operating leases as follows:

	2026 £'000	2025 £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-
Other		
Not later than one year	67	67
Later than one year and not later than five years	243	256
Later than five years	39	53
	349	376

Lease payments recognised as an expense during the year was £27,856 (2025: £47,952)

22 Lessee obligations - Group and College

At 4 January, the College had minimum lessee payments under non-cancellable operating leases as follows:

	2026 £'000	2025 £'000
Future minimum lessor payments due		
Land and buildings		
Not later than one year	82	83
Later than one year and not later than five years	51	220
Later than five years	-	164
	133	**467**

23 Pensions and similar obligations – Group and College

The College's employees belong to two principal pension schemes, Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme (TPS). Both schemes are defined benefit schemes.

Total pension cost for the year		**Year ended 4 January 2026 £'000**		**Year ended 31 July 2025 £'000**
TPS: contributions paid		819		1,800
LGPS:				
Contributions paid	605		1,415	
Pension charge	(245)		(292)	
Charge to the statement of comprehensive income		360		1,123
Total pension cost for year (note 5)		**1,179**		**2,923**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuations of the TPS was as at 31 March 2020 and the LGPS was valued as at 31 March 2022. Contributions amounting to £403,525 (2025: £321,344) were payable to the schemes at 4 January 2026 and are included within trade creditors.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by Devon County Council. The College is not liable for other entities obligations.

The total contribution made for the year ended 4 January 2026 was £742,775 (2025: £1,788,312) of which employer's contributions totalled £587,877 (2025: £1,415,670) and employees contributions totalled £154,898 (2025: £372,641). This includes an employer secondary (deficit recovery) rate value paid monthly of £20,083.

For the period from 1 August 2025 to 4 January 2026 the employer contribution was 18.80% (2025: 18.80%).

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 4 January 2026 by a qualified independent actuary.

	2026 %	**2025 %**
Rate of increase in salaries	3.50	3.80
Future pensions increase	2.50	2.80
Discount rate for scheme liabilities	5.70	5.75
Inflation assumption (RPI)	2.90	3.10

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

	At 4 January 2026	**At 31 July 2025**
	Years	**Years**
Retiring today		
Males	21.3	21.7
Females	24.0	22.7
Retiring in 20 years		
Males	23.0	23.0
Females	25.8	24.2

The College's share of the assets in the plan (which is estimated to be 0.81%) at the balance sheet date and the expected rates of return were:

	Fair value at 4 January 2026	**Fair value at 31 July 2025**
	£'000	**£'000**
Equity instruments	28,949	27,597
Government bonds	2,967	2,190
Property	4,071	4,121
Cash	1,249	1,249
Target return portfolio	-	-
Infrastructure	5,273	5,242
Other bonds	12,463	12,130
Private equity	-	-
Alternative assets	(14)	(13)
Total fair value of plan assets	**54,958**	**52,516**

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost have been replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate (5.70% as at 4 January 2026).

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

	2026 £'000	2025 £'000
Fair value of plan assets	54,958	52,516
Asset Cap	(12,397)	(9,641)
Present value of plan liabilities	(42,561)	(42,875)
Net pensions (note 18)	-	-

The FRS 102 asset has not been recognised as it does not reflect any asset ceiling and a decision was taken not to recognise one given that contributions have not reduced materially and the data is very volatile, amongst other factors.

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

	2026 £'000	2025 £'000
Amounts included in staff costs		
Current service cost	349	1,122
Past service cost	32	42
	381	**1,164**
Amounts included in investment income		
Net interest (cost) income	240	130
	240	**130**
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	1,281	1,083
Experience gain/(loss) arising on defined benefit obligations	-	(221)
Other actuarial gain on assets	-	-
Changes in assumptions underlying the present value of plan liabilities	1,006	6,507
	2,287	**7,369**
Asset Cap	(2,756)	(7,755)
	(469)	**(386)**
Enhanced Pension Provision		
Actuarial (loss) or gain	-	13

	(469)	**(373)**

Movement in net defined benefit asset during year

	2026 **£'000**	**2025** **£'000**
Net defined benefit (liability) in scheme at 1 August	9,641	1,886
Movement in year:		
Current service cost	(381)	(1,164)
Employer contributions	523	1,221
Deficit payments	103	235
Administration expenses	(16)	(36)
Past service cost	-	-
Net interest on the defined (liability)	240	130
Actuarial gain	2,287	7,369
Net defined benefit at end of period	**12,397**	**9,641**

Asset and Liability Reconciliation

	2026 **£'000**	**2025** **£'000**
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	42,875	47,104
Current service cost	349	1,122
Interest cost	1,030	2,344
Contributions by scheme participants	155	373
Experience gains and losses on defined benefit obligations	-	221
Changes in financial assumptions	(1,988)	(6,749)
Changes in demographic assumptions	982	242
Estimated benefits paid	(874)	(1,824)
Past Service cost, including curtailments	32	42
Defined benefit obligations at end of period	**42,561**	**42,875**
Changes in fair value of plan assets		
Fair value of plan assets at start of period	52,516	48,990
Interest on plan assets	1,270	2,474
Return on plan assets	1,281	1,083
Other actuarial (losses)	-	-
Administration expenses	(16)	(36)
Employer contributions	626	1,456
Contributions by scheme participants	155	373
Estimated benefits paid	(874)	(1,824)
Fair value of plan assets at end of period	**54,958**	**52,516**

In June 2023, the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation.

This High Court ruling was appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised as a result of this ruling, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

The College will continue to monitor the developments and consider the impact on the LGPS liabilities recognised.

Teachers' Pension Scheme

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

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

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

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

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

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

The Government Actuary's Department conducts a formal actuarial review of the TPS every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

As a result of the last scheme valuation, based on 2020 data, employer contributions were increased in April 2024 from a rate of 23.6% to 28.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

The next valuation, based on 2024 data, is expected to take effect in 2027.

The pension costs paid to TPS in the year amounted to £795,648 (2025: £1,799,931).

24 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £505 (2025: £2,155). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and events in their official capacity.

No Governor has received any remuneration or waived payments from the College (2025: None).

The College is not a subsidiary but is the sole shareholder of Petroc Energy Services Limited; however, no related party transactions have occurred during the year.

25 Discretionary Support Funds and Other Bursaries – Group and College

	2026 £'000	2025 £'000
Grant funding	535	1,063
Interest earned	-	-
	535	1,063
Disbursed to students	(322)	(1,062)
Staffing	-	-
Administration costs	(12)	(42)
Balance unspent at end of period	**201**	**(41)**

Included within creditors is £477,239 (2025: £276,157) of money not yet paid across or repaid as at the year-end.

Funding grants are available solely for students and employers; the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

The College distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE.

In the accounting period ended 4 January 2026, the college received a total of £389,305 and disbursed £183,573 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £9,113 for administration costs.

As at 4 January, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £461,710, of which £Nil relates to funds that are in scope to be returned to DfE in March 2027.

Comparatives for the accounting period ended 31 July 2025 are £618,106 received from DfE, £609,487 disbursed to learners after charging £30,066 for administration costs, and total cumulative unspent funds of £265,091, of which £Nil was repaid to DfE.

26 Guarantees, letters of comfort, indemnities, novel & contentious transactions

The College, on the 27th of April 2024 became a guarantor on an NEC3 buildings contract executed between Petroc Energy Services Limited and Lorne Stewart. Following 'Managing Public Money' guidelines, approval was sought through the Department for Education on the and obtained on the 19th of December 2023. The approval runs to December 2026. The contract which related to the delivery of the College's decarbonisation project has now reached a conclusion with the project completing in year; however, the contractor retention payment remains outstanding during the defects period.

The scheme has been funded by Salix through the 'Phase 3 Public Sector Decarbonisation Scheme' with the balance of funds met using a 'College's Capital loan' obtained from the Department for Education.

27 Post balance sheet event

Exeter and North Devon Colleges Group (ENDC) was formed on 5th January 2026 following a type B merger, Exeter College Corporation continued and all of the property, rights and liabilities of Petroc transferred to it on the merger date, at which point the Petroc Corporation dissolved.

Independent reporting accountant's report on regularity to the corporation of Petroc College and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 17 March 2026 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 Petroc College during the period 1 August 2025 to 4 January 2026 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the accounting officer of Petroc 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 2025 to 4 January 2026 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the accountability agreements, grant funding agreements and contracts with the DfE.

- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Tested a sample of credit card transactions.
- Tested a sample of expense claims in respect of KMP and Members of the Corporation.
- Tested a sample of suppliers and reviewed and assessed adherence to procurement policies.
- Tested a sample of bursary expenditure and reviewed whether such expenditure was in line with funding agreements.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the period.
- Reviewed approved policies and procedures operating during the period for each funding stream that has specific terms attached.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with Part 5 of the College Financial Handbook in respect of delegated authorities.
- Considered whether the college has complied with the requirements concerning senior pay controls as summarised in part 2 of the College Financial Handbook.

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 2025 to 4 January 2026 has not been applied for the purposes intended by Parliament, or that the financial transactions do not conform to the authorities which govern them.

Signed: Signed by: Forvis Mazars LLP 1DEC99435F4E446...

Forvis Mazars LLP
Date: 08 July 2026