



MILTON KEYNES COLLEGE GROUP REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

Building Fairer Futures.

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ABOUT MILTON KEYNES

Milton Keynes, situated within the South-East Midlands Local Enterprise Partnership (LEP) region, continues to experience steady growth and urban development. As of early 2025, the City's population is estimated at 288,200. It hosts over 12,600 businesses and is widely recognised for its innovation, connectivity, and economic dynamism. The local economy is valued at £16.7 billion, with a Gross Value Added (GVA) per filled job of £85,050, well above the UK average of £66,402. This positions Milton Keynes among the most productive urban economies in the country.

The business landscape in Milton Keynes is characterised by a high proportion of micro-businesses, which account for 89% of all enterprises. Small businesses make up 8.6%, medium-sized businesses represent 1.9%, and large businesses—those with 250 or more employees, comprise 0.6%, equating to approximately 76 companies.

The City is home to several major national and international headquarters, including Red Bull Racing, Network Rail, and Santander, reinforcing its reputation as a hub for high-value industries and innovation.

Demographically, Milton Keynes has a younger and more diverse population than the national average. Around 27.6% of residents are aged 19 and under, compared to 23.5% across the UK. Ethnic diversity is notable, with 28% of residents identifying as Black and Minority Ethnic (BME), rising to 45% among current learners. Additionally, 26% of residents speak English as a second language, and 1.9% report limited or no English proficiency. Among school-aged children, 15% have identified special educational needs and disabilities (SEND).

Despite its overall prosperity, Milton Keynes faces challenges related to deprivation and inequality. It ranks 182 out of 317 local authorities in England on the 2025 Index of Multiple Deprivation (IMD), placing it in the national mid-range. However, this ranking masks significant disparities, with nine Lower Super Output Areas (LSOAs) within the city falling among the 10% most deprived areas in England, highlighting pockets of acute need.

FOREWORD BY RUBY PARMAR, CHAIR OF GOVERNORS

AND SALLY ALEXANDER, CEO AND GROUP PRINCIPAL

We are proud to present the Milton Keynes College Group Financial Statements. As we navigate through ever changing times, we are immensely proud of the achievements of both students and staff at Milton Keynes College Group. In 2024/25, we have achieved 'Outstanding' Financial Health and delivered strong financial performance having made sensible investments in growing student numbers to meet the needs of our City, improving the learner experience, keeping learners safe and valuing and rewarding our staff both in Milton Keynes and across our prison communities. We have invested in our estate through the £6.1m MK City Council Tariff funded project to accommodate the growth seen in summer 2025 and we continue to invest in delivering our roadmap to carbon neutrality by 2030 as set out in our newly launched Climate Action Plan. The increased surplus delivered in 2024/25 is due to a combination of increased efficiencies and several exceptional one-off gains. This increase in our reserves will enable us to continue to support the City's expansion by investing in our estate and our people.

We will deliver the commitments in our Annual Accountability Statement in contributing to national, regional, and local skills priorities and as evidenced in our Community Impact Report, the College continues to operate at the heart of its communities, building Fairer Futures and instilling our values of inspire, excellence, innovation, respect, integrity and belonging into all we do. Our work with local, regional, and national partners continues to help shape our curriculum for the people of the City, creating opportunities through meeting the local skills need.

Over the last year, the College has developed its curriculum to support the diverse needs of our community for example, the introduction of A Level provision, so that young people can now access a range of routes as they choose a career path for them. Our overall achievement rate in 2024/25 was our highest ever at 86%.

In February 2024 the College was visited by Ofsted and received positive feedback on how we support a wide range of students on their path to developing themselves. We were particularly pleased that the College's position around skills was recognised as 'strong', and the College was deemed 'Outstanding' for Adult Learning and High Needs provisions. An overall outcome of 'Good', alongside 'Outstanding' Financial Health gives the College an excellent platform to further serve our community.

We are very proud to have secured new Prison Education Service Contracts at 31 prisons across the South of England and began delivering these new contracts from 1st October 2025. Within our local education departments we work with some of the most socially excluded to develop their skills to support them engage both with their local communities and to resettle post release.

As the only further education provider in the City, we are fully committed to providing an outstanding experience for our learners with Learners with Learning Difficulties and Disabilities (LLDD) needs. We provide an engaging Inclusion provision and have a dedicated team supporting the large number of high needs learners and those in receipt of an Education, Health and Care Plan (EHCP).

Inclusion and our continued commitment to the Equality, Diversity and Inclusion (EDI) agenda are integral to our approach to create Fairer Futures for all. Central to our work in 2024/25 to promote and lead EDI was students participating in the Student Commission on Racial Justice, becoming a White Ribbon accredited organisation, signing the Association of Colleges (AoC) EDI Charter and achieving our Investors in Diversity (Gold) accreditation.

Employers are at the heart of what we do, whether it be co-constructing curriculum, creating meaningful work placements for students, or working together to educate apprentices, our work with employers continues to grow and strengthen every year. Initiatives such as our collaboration with Red Bull Racing are making measurable impacts to our learners' experience and outcomes, whilst driving aspiration in Science, Technology, Engineering and Maths (STEM) subjects and employment for young people.

We have engaged widely with the development of our Local Skills Improvement Plan (LSIP) and led the regional response as lead college on the Local Skills Improvement Fund (LSIF). Our Bletchley-based, South Central Institute of Technology, continues to deliver high level digital skills to students at levels 3, 4 and 5, as well as supporting the development of basic digital skills in the community through our 'Tech Park' initiative with the City Council.

The [MK City Plan](#) projects a population growth of 50% by 2050. As we enter the final year of our 'Fairer Futures Strategy', positive endorsement by Ofsted and Outstanding Financial Health means we are attracting the best talent to deliver our current and future strategy and delivering extraordinary learning experiences as we support our City in achieving economic development and growth.



Ruby Parmar
Chair of Governors

10th December 2025



Sally Alexander
CEO & Group Principal

10th December 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Governors

A full list of Governors is given from page 19 of these financial statements.

Clerk / Company Secretary

Karen Brown

Key management personnel / Executive Leadership Team

Sally Alexander: CEO & Group Principal

Annie Allen: Chief People Officer (resigned 13/12/24)

Jason Mansell: Chief Operating Officer

Mark Fell: Executive Principal

Sharon Frost: Executive Director: People Services and Marketing (from 1/12/25)

Principal and Registered Office

Milton Keynes College, Chaffron Way Campus, Woughton Campus West, Leadenhall, Milton Keynes, MK6 5LP

Professional advisers

External Auditors:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal Auditors:

Validera
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

Bankers:

Lloyds Bank Plc
249 Silbury Boulevard
Central Milton Keynes
MK9 1NA

Solicitors:

Howes Percival
Nene House
4 Rushmills
Northampton
NN4 7YB

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025

The Board of Governors presents its annual report together with the Financial Statements and auditor's report for the year ended 31 July 2025.

Legal status

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

The structure of Milton Keynes College (which is known as Milton Keynes College Group) (MKCG) includes the campus provision, prison education, and the South Central Institute of Technology (SCIoT) and the following subsidiary companies:

- The Code Makers Academy Limited (dormant since 1/5/23)
- MKC Commercial Limited

There are two campuses (at Chaffron Way in Milton Keynes and Bletchley) and from 1st October 2025, 31 regional prisons (including one in the private estate).

Mission, Vision, Strategy and Objectives

MKCG launched the new Fairer Futures five-year strategy in the period 2020/21. The vision is to use the power of education to create opportunities, champion talent and deliver fairer futures. It includes the 'means' (to achieve the vision) and the 'why' i.e.

"We inspire positive social change in the people and communities we serve through delivering exceptional learning experiences to transform lives, achieving our vision of a fairer future for all."

Strategic aims 2020-2026

The strategic aims set out what MKCG seeks to achieve over the duration of the strategy. These aims are designed to be flexible enough to adapt to changing environments and specific enough to anchor the vision and purpose. The aims are to:

1. Drive aspirational, innovative, and student-focussed educational experiences.
2. Deliver the skills needed by employers to aid productivity.
3. Develop meaningful partnerships to grow influence and create opportunities.
4. Promote and live fairness, equality, diversity, and inclusion.
5. Achieve and maintain financial and operational sustainability.
6. Create organisational unity around a shared vision and purpose.

The strategic aims were reviewed with the Executive Leadership Team (ELT) and Senior Leadership Team (SLT), and Board of Governors in July 2023 and agreed as still being relevant and applicable to driving forward the Fairer Futures Strategy.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Resources

MKCG employs 1,484 people (expressed as headcount), of whom 1,049 are teaching staff.

MKCG enrolled 22,860 learners in 2024/25 (20,152 in 2023/24). The College had 11,792 learner enrolments, (10,161 in 2023/24) including 6,940 16-18 year olds (6,197 in 2023/24), 780 apprentices (841 in 2023/24) and 105 Higher Education with the remainder being other Adult learners. Within Prison Services the College delivered education to a further 11,068 learners (9,968 in 2023/24) on 24,163 individual qualifications (21,820 in 2023/24).

MKCG has £33.6m of net assets (2024: £28.5m net assets) with a £nil pension liability (2024: £nil). MKCG has no long-term debt (2023: £nil).

Tangible resources include two campuses within Milton Keynes.

The College has a good reputation locally and nationally. In its last inspection in February 2024, Ofsted judged overall effectiveness as 'Good', Adult Learning and High Needs provision as 'Outstanding' and contribution to meeting skills needs as 'Strong'.

The College is registered with the Office for Students (OfS).

Stakeholders

MKCG has many stakeholders including:

- Students – current, and past
- Education sector funding bodies
- Staff
- Regional and national employers Network Rail, Red Bull, Mercedes F1, NHBC, John Lewis, Careys, Santander, KMPG, Microsoft, Aston Martin, ABB and Silverstone
- MK City Council
- Chambers of Commerce, Federation of Business, and City Council Business Council, MK Business Leaders
- The local community
- Community groups
- Other FE and HE institutions such as Open University, MK:U, Cranfield University, Oxford Brookes and Northampton University, Bedford College, West Herts College, Moulton College and Northampton College
- Trade unions
- Professional bodies
- Ministry of Justice (MoJ)

The College publishes a [Community Impact Report](#) on its website annually.

MKCG recognises the importance of collaboration with partners and stakeholders and works to develop relationships through meetings, forums, marketing, and networking. This enables MKCG to adjust the curriculum to meet local, regional, and national needs and enhance the student experience e.g. through guest speakers, sponsorship of equipment and workplace experiences.

Public Benefit

Milton Keynes College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Board of Governors Body, who are trustees of the charity, are disclosed on page 19. In setting and reviewing the MKCG's strategic priorities, the Board of Governors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

In delivering its mission, MKCG provides identifiable public benefits through the advancement of education to 22,860 learner enrolments, including 558 high needs enrolments (290 distinct students). MKCG provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. MKCG adjusts its courses to meet the needs of local employers and provides training to 780 apprentices. MKCG is committed to providing information, advice, and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

The City of Milton Keynes is one of the fastest growing in the UK. It has high levels of employment and hence very low levels of unemployment. This has benefitted students, many of whom have progressed into good jobs and started careers in construction, professional services, logistics, customer services, sports and leisure and engineering to name just a few sectors.

MKCG is at heart a community institution with the overarching charitable and community goal to provide first class education and educational services which enhance the life chances of its students, their families, and the communities in which they reside. MKCG is proud that it represents the whole community not just part.

DEVELOPMENT AND PERFORMANCE

Financial review

The College made a surplus of £5.8m in 2024/25, (the College's operating performance was £5m which was in line with the activity in the year however higher than the approved Budget). This was £1.7m in 2023/24, so this is an increase.

MKCG received 87% of its total income for 2024/25 as grants from funding bodies, with 73% coming from the Education and Skills Funding Agency for 16-18 provision and the Ministry of Justice.

MKCG has completed a £8m part Department for Education (DfE) funded Capital Transformation Fund (CTF) project to improve its Chaffron Way Campus. DfE provided a grant of £4m with the College contributing £4m. The CTF was completed in November 2024.

MKCG has been awarded £1.5m of DfE capital to spend on improving our Estate to be spent by 31st of March 2028.

MKCG has undertaken a detailed review to inform its Estates Strategy and support bidding for funding to meet forecast student number growth and sustainability targets. During 2024/25 the College has secured £6.1m Tariff funding, £0.82m Carbon Offset funding, and £1.08m Salix funding, with capital funding released by funders as work is undertaken.

At the balance sheet date, the MKCG held net assets of £33.6m (2023/24 of £28.5m).

Tangible fixed asset additions during the year amounted to £5.7m.

The College has one active subsidiary company, MKC Commercial Limited. The principal activity is resourcing staff for the College. There is no surplus generated by the subsidiary this year.

Cash flows and liquidity

At £10.4m (2024 £6.7m) net cash flow from operating activities was strong. The increase from the prior year is due to an improvement in operating performance before depreciation and capital losses

There was a £11.3m net cash flow from operating activities and outflow of £0.9m from investing activities.

MKCG has a year-end cash balance of £19.9m (2023/24 £9.4m).

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Sources of income

MKCG has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25 the Further Education (FE) funding bodies provided 47% of MKCG's total income. The Ministry of Justice (MoJ) and Serco provide 48% of MKCG's income. The diversity of total income ratio is 13%, which is in similar of the recent General Further Education (GFE) benchmark of 12.72%.

FUTURE PROSPECTS

Current and future developments

MKCG is investing significantly in its facilities and estate.

A Strategic Estates Review was completed in 2024, which led to the Board approving an Estates Plan in November 2024 to respond directly to the need to increase post-16 capacity in Milton Keynes. In addition, a Climate Action Plan was published in January 2025 which details the steps required to develop a roadmap to carbon neutrality by 2030.

MKCG has continued to be successful in bidding for external capital funding to deliver these strategic priorities, with funding for two key projects secured. Firstly, MKCG has secured £6.1m of MK City Council Tariff funding to deliver Phase 1 of its Estates Plan over summer 2025 to increase its post-16 capacity by 364 student spaces. Secondly, MKCG has secured £0.82m Carbon Offset funding and £1.08m Salix funding to use along with ringfenced reserves and DfE capital funding to deliver a £3.4m project to install air source heat pumps and fully decarbonise the Bletchley main building and the Motor Vehicle workshop, whilst improving the learning environment.

These developments will enable MKCG to continue to increase student recruitment to meet the City's needs, whilst meeting sustainability targets, and offer more high-quality teaching and learning spaces. They allow MKCG to develop its technical course offering in specifically designed areas. New courses have been designed and delivered, aligned to the local and regional economies.

MKCG will complete a full review of its Estates Strategy in early 2026 to set out the continued growth and evolution of its estate to 2031, in line with the new Group Strategic Plan 2026 to 2031 and the evolving regional skills requirements.

The sector is continuing to face changes with the defunding of BTECs and introduction of T Levels, which will continue to impact curriculum design. To mitigate this risk MKCG has reformed its curriculum offer. It has continued to successfully increase its T Level offer and has successfully delivered A level Pathways from September 2024, with A Level student numbers planned to triple in 2025/26.

MKCG has been successful in securing national tenders for the new Prison Education Services (PES) Contracts, which commenced on 1st October 2025, following the conclusion of the current Prison Education Framework (PEF) Contracts.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

MKCG's work to meet employer needs has led to a range of exciting projects. These include its innovative partnership with Silverstone to place its Hospitality and Catering students in their facility to develop real work skills. This real-life partnership is working with Silverstone to train its future workforce, with all students also becoming part of the Silverstone Occasional Worker workforce to provide additional real work experience. This has enhanced the learning and skills development, through an inspirational learning journey which supports the development of outstanding skills, knowledge, and behaviours, producing industry ready employees, leading to employment. MKCG has also launched a partnership with Oracle Red Bull Racing to deliver the STEMx programme, a STEM experience and associated learning package for school aged children to inspire them into science, technology, engineering and maths careers.

MKCG is working in partnership with the Open University (OU) to improve progress from FE into HE and retain skills in Milton Keynes. This includes the OU becoming an Anchor/Delivery Partner of SCIoT, the OU validating MKCG to deliver OU HE programmes and MKCG working with the OU, Cranfield University and other strategic partners to agree a Milton Keynes Civic Agreement to create a collaborative, ambitious vision for the City and prosperous futures for its citizens.

New funding rules for apprenticeships and the robust assessment methods, including accountability measures have been embraced. The Apprenticeship Team has a wide scope of provision that is supporting local and national employers. MKCG works closely across the local community ensuring it plays an active role in understanding skills requirements and fulfilling skills needs through community, civic, education and employer-focussed activities.

MKCG was a key contributor to the MK 2050 future planning strategy and co-delivered MK Learning 2050. MKCG chairs the Milton Keynes Post-16 Strategy group and continues to be actively involved with the Milton Keynes Secondary Heads Network. At a regional level, MKCG is the lead of the CoSEM group of colleges.

MKCG has led the Local Skills Improvement Fund (LSIF) bid delivery across the five South East Midlands Local Enterprise Partnership (SEMLEP) colleges. This project is part of a long-term change programme to invest in new facilities, provision, and teaching expertise needed to deliver the skills priorities set out in the Local Skills Improvement Plans (LSIPs). Phase 2 of the LSIF project was completed at the end of March 2025.

MKCG continues to thrive, fulfilling an essential role in the heart of its communities through instilling its values of inspiration, excellence, innovation, respect, integrity and belonging into everything it does.

Financial plan

The Board of Governors approved a financial plan in July 2025 and has tasked the ELT with ensuring ongoing financial sustainability including maintaining 'Good' Financial Health for the period to 2027.

MKCG is committed to observing the importance of sector measures and indicators and uses the Market Intelligence Data Exchange Service (MIDES)/RCU data which looks at measures such as retention and success rates. MKCG is required to complete an annual College Financial Forecasting Return (CFFR) for the DfE.

MKCG invited the FE Commissioner's (FEC) Team to undertake a Curriculum Efficiency and Financial Sustainability Study (CEFSS) in January 2025. The FEC Team endorsed the Executive Team's approach to improve planning and reporting and drive greater efficiency. The CEFSS Report was received in February 2025 and the FEC Team identified 14 suggested actions, many of which the College was already working to address and have now been completed.

MKCG has due regard for the FE Commissioner financial benchmarks and the implementation of the CEFSS action plan has further improved efficiency, including an improved Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA), improved current ratio, and an increased level of cash days in hand.

Treasury policies and objectives

MKCG has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Following the Office for National Statistics (ONS) reclassification of colleges, future borrowing must be authorised by the DfE.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Reserves

MKCG adopted a Reserves policy during 2024/25 to guide financial decision making in future. The policy gives guidance on the minimum level of cash, working capital and unrestricted reserves balances to ensure that MKCG can both meet any short-term obligation but also ensure long-term sustainability. The Reserves policy is not the only means of assessing going concern but contributes to this. MKCG keeps cash and reserves to ensure that it can meet unexpected costs, deal with income shortfalls resulting from enrolment reductions of government funding changes and meet the future costs of improving the buildings and reducing carbon emissions.

MKCG recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support MKCG's core activities. MKCG reserves include £5.882m held in revaluation reserve. As at the balance sheet date the Income and Expenditure reserve stands at £27.7m (2023/24 surplus of £22.5m).

The Income and Expenditure reserve includes Pension Provisions of £nil (2023/24 - £nil). MKCG reserves include £nil (2024: £nil) held as restricted reserves.

It is the Corporation's intention to continue increasing non-pension related reserves over the life of the Strategic Plan, with the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

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

A strategic risk register is maintained at the college level which is reviewed at each Audit & Risk Committee, three times a year. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on MKCG and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system, detailed in the Risk Management policy.

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

Key Strategic Risk (highest priority)	Mitigations
Harm to students, staff, and members of the wider college community – Safeguarding	Group Safeguarding Strategy, subject to annual review, which is supported by appropriate policies and procedures and training for all staff. The Link Governor provides additional challenges and assurance for the Board. Annual Internal Audit (substantial assurance awarded in 2025).
Data breach and / or cyber incident resulting in a fine, data losses and reputational damage.	Approved policies and procedures which are regularly updated. Mandatory staff training. ISO 27001, Cyber Essentials and Cyber Essentials Plus accreditations. Internal Audit to continually test (Substantial Assurance in 2025) and dedicated IT Security Team. Acknowledgement of the Acceptable Usage Policy by all staff. Use of Content Filters and Multi Factor Authorisation. Active scanning for vulnerabilities.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Based on the Strategic Plan, on an ongoing basis, the MKCG Risk Management Group (RMG) undertakes a comprehensive review of the high-level risks which pose a threat to the achievement of strategic objectives. The RMG considers systems and procedures, including specific preventable actions, to mitigate potential impacts. Where considered necessary, new controls are introduced, and/or existing internal controls are further strengthened, whether this be in the form of challenge and scrutiny by the RMG, the Board's Audit & Risk Committee or reviews undertaken by MKCG's Auditors. In addition, the RMG considers risks which may arise as a result of a new area of work being undertaken and any such changes to the MKCG's risk profile will be considered as part of an ongoing review of the Internal Audit Strategy and Plan. The Risk Management Policy was reviewed and extensively updated in June 2023. This includes a detailed assessment of the College's risk appetite to inform future developments, ensuring any risks taken are in a considered and controlled manner and commensurate with the potential reward.

A lower priority strategic risk is the reliance on continued government funding through the FE sector funding bodies, Ministry of Justice Prison Education Contracts, and through the Office for Students (OfS). In 2024/25, 93% of MKCG's revenue was ultimately publicly funded, and this level is expected to continue. This risk is mitigated in several ways:

- Effective Employer Engagement.
- High quality education and training delivery.
- Maintaining and managing key relationships funding bodies.
- A focus on provision which provides a solid financial contribution and on priority sectors which will continue to benefit from public funding.
- Close engagement with the MoJ.

Buildings and infrastructure is an operational risk.

A comprehensive asset conditions survey was carried out of the campus estate (Chaffron Way and Bletchley) in 2019 which highlighted the need for investment in the estate and infrastructure (which had suffered from limited investment previously). The survey informed a 5-year Estates Plan.

Modernising the estate and making it fully fit for purpose has required continued investment, enabling MKCG to deliver an outstanding learning and working environment, further enhancing the student and staff experience, increasing efficiencies to meet the sustainability agenda, and reducing running costs. As detailed on page 9 in the current and future developments section, MKCG has continued to be successful in securing significant grant funding to support capital investment in its estate.

The Department for Education is now completing new condition surveys which are expected to be completed by early 2026. The 5-year Estates Strategy will be updated in early 2026 to ensure the estate continues to meet need. This will be informed by the new DfE condition surveys, demographic data to show the anticipated growth in student numbers, the MK 2050 City Plan, progress against the Estates Plan, and the strategic aims in the new Group Strategic Plan 2026 to 2031.

KEY PERFORMANCE INDICATORS

Student achievement (Campus)

MKCG students continue to prosper. Achievement rates remained high in 2024/25 and 95% of students moved into employment, further or higher education after completing their college course.

In 2024/25 clear progress has been made to improve achievement rates and other academic Key Performance Indicators (KPIs). The implementation of the Balanced Scorecard and Curriculum Progress Reviews (CPR) has driven strong performance in 2024/25.

- 16-18 overall achievement, including English and maths, finished at 86%, which is a 5-percentage point improvement on 2023/24.
- All ages overall achievement, including English and maths, finished at 86%, improving by 3-percentage points on 2023/24.
- Adult overall achievement, including English and maths finished at 88%, which is 1.6 percentage points above 2023/24.
- GCSE English high grades finished at 35%, which is 7 percentage points above 2023/24, and 11 percentage points above the national average.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

- GCSE maths high grades finished at 18%, which was 1 percentage points below 2023/24 and in line with the national average.
- English Functional Skills actual achievement finished at 75%, which is 6 percentage above 2023/24, and 4% above the national average.
- Maths Functional Skills actual achievement finished at 61%, which is 17 percentage points above 2023/24.
- Higher Education achievement finished at 80%, and just above 2023/24.
- Overall Apprenticeships finished at 63%, which is just below the 2023/24 outturn of 65% but significantly above the national average of 54%.

Student achievement (Prison Services)

The Prison Education Framework (PEF) Contract commenced on 1 April 2019, with the contract ending on 30 September 2025. From 1 April 2023 MKCG took on the additional responsibility of the Kent, Surrey, and Sussex region, adding a further 10 prisons to the PEF portfolio. In 2024/25 MKCG delivered learning and skills in 30 prisons across four PEF Lots: LTHSE North, LTHSE South, South Central and Kent, Surrey, and Sussex, and the Education contract at HMP Fosse Way through its partnership with Serco.

MKCG has continued to deliver strong achievement rates in Prison Services. Across the hybrid year, between 1 August 2024 to 31 July 2025, across the 30 prisons, (excluding Fosse Way) MKCG engaged with 11,246 individual prisoners to deliver over 24,634 individual qualifications with an achievement rate (Actual Success) of 95.48%.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting period 1 August 2024 to 31 July 2025, MKCG paid 95 percent of its invoices within 30 days. MKCG incurred no interest charges in respect of late payment for this period.

Streamlined Energy and Carbon Reporting

MKCG is committed to reducing its carbon footprint and continues to look out for new energy saving and funding opportunities. In the reporting period, August 2024 to July 2025, the Group has taken the following energy efficiency actions:

- Ongoing implementation of LED lighting upgrades across multiple campus locations, aimed at reducing electricity consumption and improving overall energy efficiency.
- Expanded deployment of the Genius Hub intelligent heating control system to optimise heating schedules based on real-time occupancy data, enhancing energy efficiency and reducing unnecessary heat usage across operational areas.
- Maintained and expanded the College's policy of recycling and upcycling office furniture and construction materials, supporting circular economy principles and reducing waste to landfill. Introduced dedicated food waste bins across facilities to improve segregation of organic waste and enhance overall waste management practices.
- Launched a water refill awareness campaign across sites to promote the use of reusable containers and reduce reliance on single-use plastic bottles, supporting broader waste reduction and sustainability goals.
- Enhanced thermal performance at the Chaffron Way site through the installation of additional loft insulation, contributing to reduced heating demand and improved energy efficiency.
- At the Chaffron Way site, energy efficiency was improved through the installation of additional loft insulation and the replacement of older windows with new, energy-efficient glazing. These measures are expected to reduce heat loss, lower energy consumption, and contribute to long-term carbon reduction targets.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

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

UK Greenhouse gas emissions and energy use data for the period	1 August 2024 to 31 July 2025	1 August 2023 to 31 July 2024
Energy consumption used to calculate emissions (kWh)	4,194,073	4,306,947
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	287.7	280.0
Owned transport	1.1	1.1
Total	288.8	281.1
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	453.9	570.4
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	12.8	4.0
Total gross emissions in metric tonnes CO2e	755.6	855.5
<u>Intensity ratio</u>		
Metric tonnes CO2e per student/FTE/staff member	1.147 (Staff) 0.094 (student) 0.024 (floor area)	1.416 (Staff) 0.107 (student) 0.027 (floor area)

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires publication of information on facility time arrangements for trade union officials.

Numbers of employees in the relevant period	FTE employee number
17	11.2

Percentage of time	Number of employees
0%	
1-50%	17
51-99%	
100%	

Cost of Facility Time	£
Total cost of facility time	£45,728
Total pay bill	£53,110,000
Percentage of total bill spent on facility time	0.05%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

EQUALITY AND DIVERSITY

Equality

MKCG is committed to ensuring equality of opportunity for all who learn and work within it. It is a signatory of the [Race at Work Charter](#), [Association of Colleges' EDI Charter](#), [Association of Colleges' Mental Health Charter](#) and was accredited with [Investors in Diversity Gold award](#) (previously known as Leaders in Diversity) in September 2025.

It respects and values positively differences in age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief and sexual orientation. It strives vigorously to remove conditions which place people at a disadvantage and works to be fully inclusive in its approach. Its commitment to equal opportunities is implemented, and monitored, on a planned basis through the Equality Strategy Review Group (ESRG) and MKCG publishes an Equality, Diversity and Inclusion (EDI) Report and Equality Objectives to ensure compliance with all relevant legislation. MKCG has also established five employee networks (employee resource groups) which represent the organisational demography.

MKCG undertakes equality impact assessments across all risk areas detailed within its Risk Register and on all key policies, procedures and organisational changes. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

MKCG aligns with the [Mindful Employer Charter](#) initiative to assist the mental health and wellbeing of colleagues, is also a [Disability Confident](#) employer and currently holds the Armed Forces Covenant silver status. MKCG also employs a dedicated Head of People Development and EDI and an EDI & People Development Adviser. Various Equality and Diversity online training programmes are mandatory for all staff; these now include the Equality Act 2010, PSED, Allyship, Menopause Awareness and Anti-Sexual Harassment. Refresher training and training for new starters is carried out regularly. MKCG has trained mental health first aiders who respond quickly to support students' and staff needs.

Gender pay gap reporting

	Year ending 31 March 2025
Mean gender pay gap	7.0%
Median gender pay gap	7.7%
Mean bonus gender pay gap	-83.7%
Median gender bonus gap	-65.0%
Proportion of males/females receiving a bonus	0.8%/1.0%

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

	Males	Females
1 - Lower quartile	19.5%	80.5%
2 - Lower Middle Quartile	29.2%	70.8%
3 - Upper Middle Quartile	37.5%	62.5%
4 - Upper quartile	37.9%	62.1%

MKCG publishes its annual gender pay gap report on its website.

[MKCG Gender & Ethnicity Pay Gap Report 24-25 \(mkcollege.ac.uk\)](#)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Ethnic pay gap reporting

MKCG publishes its Ethnicity Pay Gap report alongside the Gender Pay Gap Report. This has been published since 2021. [Gender & Ethnicity Pay Gap Report 24-25 \(mkcollege.ac.uk\)](https://mkcollege.ac.uk/gender-ethnicity-pay-gap-report-24-25)

Disability statement

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

1. On an ongoing basis, any redevelopment of buildings ensures the installation of lifts and ramps so that most of the facilities will allow access to people with a disability.
2. MKCG has a Head of People Development and EDI who provides strategy and the implementation of advice and guidance and coordinates support where necessary for students and employees with disabilities so that no student is left behind. The Equality and Diversity Policy is available on the College website.
3. There is a list of specialist equipment, such as lighting and audio facilities, which MKCG can make available for use by students.
4. The Admissions Policy for all students is available on our website. Appeals against a decision not to offer a place are dealt with under the Complaints Policy.
5. MKCG has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
6. Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format.
7. Colleagues are involved in decision-making through representation on the Board of Governors, the ESG, and Employee Networks for LGBTQ, Disability, Cultural Diversity, Women and Men. The College works collaboratively with the recognised trades unions, UCU and Unison.
8. Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure resources during induction.

GOING CONCERN

After making appropriate enquiries, the Board of Governors considers that MKCG has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

There have not been any events requiring disclosure.

DISCLOSURE OF INFORMATION TO AUDITORS

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the MKCG'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 MKCG's auditors are aware of that information.

Approved by order of the members of the Corporation on 10 December 2025 and signed on its behalf by:

Ruby Parmar
Chair of Governors

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025

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

GOVERNANCE CODE

MKCG endeavours to conduct its business:

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

In the opinion of the Board of Governors, MKCG complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code reported to the Board of Governors on 16 July 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code issued by the AoC in March 2015, which it formally adopted on 12th November 2015. The Board has adopted the AoC revised Code from 1 August 2025. An [External Governance Review](#) was undertaken in March 2024 and a summary of the findings and recommendations is published on the College website.



STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

THE CORPORATION

Members of the Corporation (Board of Governors)

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

Name	Date of appointment	Term of Office	Date of Resignation/ Retirement	Status of appointment	Committees Served in 23/24	Attendance in 2023/24 at Corporation Meetings (i.e. Board & formal Committees*)
Sally Alexander	1.9.22	Ex officio		College CEO and Group Principal	Search & Governance	11/11
Jawad Al Midani	24.10.25	1 year		Student		n/a
Abbas Bandali	1.11.24 (1st term)	1 year	31.7.25	Student		n/a
Richard Bartlett-Rawlings	28.10.25 (3rd term)	3 years		Independent	Audit & Risk (Chair) Remuneration	10/13
Ian Bickers	1.8.24 (1st term)	3 years		Independent	Audit & Risk	11/11
Ajira Bouchada	2.10.24 (1st term)	3 years		Independent		6/8
Emily Bousfield	29.9.25 (1st term)	3 years		Staff		n/a
Carla Derriscott	30.9.25 (1st term)	1 year		Student		n/a
Mateusz Gotkowski	1.4.25 (3rd term)	3 years	31.7.25	Independent	Audit & Risk Remuneration	12/13
Dr Leroi Henry	1.8.23 (1st term)	3 years	3.6.25	Independent		2/6
Mark Homans	1.8.25 (1st term)	3 years		Independent	Remuneration	n/a
Ajay Kabra	1.8.25 (1st term)	3 years		Independent	Audit & Risk	n/a
Catherine McKenna-Mackmurdo	1.11.24 (1st term)	1 year	29.4.25	Student		2/4
Rebecca Myrie	18.9.23 (1st term)	3 years		Staff		6/8
Amit Nayyar	1.8.23 (1st term)	3 years		Independent	Audit & Risk Remuneration (Chair)	11/13
Angela Novell	28.10.22 (1st term)	3 years	31.7.25	Independent	Remuneration	7/10
Hiran Odedra	02.10.25 (1st term)	3 years		Independent		n/a
Balvinder (Ruby) Parmar	1.1.24 (3rd term)	3 years		Independent	Chair of Corporation Remuneration Search & Governance	12/13
Ian Revell	10.06.24 2nd term)	3 years		Independent	Search & Governance (Chair) Remuneration	11/11
Neil Sainsbury	28.10.25 (3rd term)	3 years		Independent	Search & Governance	9/10
Lindsey Styles	1.8.24 (1st term)	3 Years		Independent	Search & Governance	11/11
Jay Timpany	16.6.24 (1st term)	3 years	18.08.25	Staff		8/8
Manish Verma	1.4.25 (3rd term)	3 years		Independent		5/8
Jeremy Wilsdon	28.10.25 (2nd term)	3 years		Independent		7/8
Tom Wraight	1.8.23 (1st term)	3 years		Independent		6/8

Karen Brown, Head of Governance, acted as Clerk to the Corporation

* Audit & Risk, Remuneration, Search & Governance

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

Meeting attendance at Board and formal committees in 2024/25 was:

- Board 82%
- Audit & Risk Committee 93%
- Search & Governance Committee 93%
- Remuneration Committee 90%

Additionally, Governors met as members of the Curriculum & Quality Group, Finance Group, and Capital Projects Monitoring Group (which are not formal committees).

The Governance Framework

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

The Board of Governors is provided with regular and timely information on the overall financial performance of MKCG together with other information such as performance against funding targets, proposed capital expenditure, quality and the student experience, personnel related matters, health & safety, equality, and diversity, safeguarding and environmental issues. The Board of Governors met eight times plus a strategic half-day meeting.

Business is conducted through regular corporation meetings, three committees (Audit & Risk, Remuneration and Search & Governance) and Task & Finish / Scrutiny Groups. Each committee / group has terms of reference which have been approved by the Board of Governors. The Audit & Risk Committee met three times, the Search and Governance Committee met three times (plus two meetings to interview governor candidates), and the Remuneration Committee met twice. There was a mix of 'in person' and online meetings.

Full minutes of all Board and Committee meetings, except those deemed to be confidential by the Board of Governors, are available on the website (mkcollege.ac.uk) or from the Head of Governance at:

Milton Keynes College
Bletchley Campus
Sherwood Drive
Bletchley
Milton Keynes
MK3 6DR

The Head of Governance maintains a register of Governors' financial and personal interests. The register is available for inspection at the above address.

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

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

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

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate. The CEO & Group Principal is the MKCG Accounting Officer.



STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

Appointments to the Board of Governors

Any new Governor appointments are a matter for the consideration of the Board of Governors as a whole. The Search and Governance Committee, consisting of five members of the Board of Governors, is responsible for the selection and nomination of any new member for the Board of Governors' consideration. The Board of Governors is responsible for ensuring that appropriate training is provided as required.

Members of the Board of Governors are appointed for a term of office not exceeding four years (usually three years). Members may apply to serve a further term (the maximum is usually three terms i.e., nine years but exceptionally four terms).

Corporation performance

The Board of Governors assesses its performance through a range of activities including self-assessment and feedback from the MKCG Leaders and Managers.

The Board of Governors carried out a self-assessment of its own performance for the year ended 31 July 2025 and graded itself as "Good" on the Ofsted scale.

The Board of Governors commissioned an external review of governance in March 2024. The summary of the review findings and recommendations is published on the website ([External Governance Review](#)); all recommendations have been actioned.

The Board of Governors is committed to development and held a half-day strategy day including briefings on sector challenges and opportunities by the Chair of the AoC and on the local vision by the Strategic Lead: Economy and Policy, Milton Keynes City Council.

Other development in 2024/25 included:

- FEC Just in Time conference
- AoC Chairs Network (Chair of Governors)
- AoC Chairs of Finance and Quality (Chair of Audit & Risk, Chair of Curriculum & Quality)
- AoC Student Inductions and Network (Student Governors)
- Board responsibilities and assurance on Safeguarding & Prevent, SEND and EDI facilitated by College Leaders.
- ETF Safeguarding online module
- ETF Governance Development Programme (self-managed programme of online learning).
- AoC Induction (new Independent Governors)
- Internal Induction (new governors)
- AoC Conference
- AoC / ETF Programme for Governance Professionals: Expert (Governance Partner)
- Stone King webinar: The essential trustee and governance in practice (Head of Governance)
- AoSEC Networking Meetings for Governance Professional (Head of Governance and Governance Partner)
- Mandatory Online Training (Governors, Head of Governance, Governance Partner): Safeguarding, Prevent, Health & Safety, Data Security

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

Remuneration Committee

Throughout the year ending 31 July 2025, the Remuneration Committee comprised five members of the Board of Governors. Since 30 April 2025, the Committee's responsibilities include recommendations to the Board on the remuneration of the Accounting Officer and other senior post holders (the Board has final approval). The Committee met twice, and attendance was 90%.

The Board of Governors has adopted the AoC Senior Post Holder Remuneration Code and publishes an annual report on the website in accordance with the Code.

Details of the remuneration of key management personnel, including senior post holders, for the year ended 31 July 2025 are set out in note 6 to these financial statements.

Audit & Risk Committee

The Audit & Risk Committee comprised four Independent members of the Board of Governors (excluding the Accounting Officer, Chair of Governors, Staff Governors and Student Governors) and a co-opted governor. The committee operates in accordance with written terms of reference approved by the Board of Governors.

The Audit and Risk Committee meets on a termly basis and provides a forum for reporting by the Internal Auditors, Reporting Accountants and Financial Statements Auditors, who have access to the Committee for independent discussion without the presence of college management. The Committee also receives and considers reports from the main FE funding bodies as they affect the MKCG's business.

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

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

The Audit and Risk Committee also advises the Board of Governors on the appointment of Internal Auditors, Reporting Accountants and Financial Statements Auditors and their remuneration for audit and non-audit work as well as reporting annually to the Board of Governors. The contract for internal audit was subject to competitive tender in 2024/25 and the existing auditors were re-appointed. The contract for external audit was last retendered in 2023.

The Audit and Risk Committee met three times in the year to 31 July 2025 and overall attendance was 93%. The members of the Committee and their attendance records are shown below:

Committee Member	Number of Meetings Attended
Richard Bartlett-Rawlings (Chair)	3/3
Ian Bickers	3/3
Jasmine Fergusson (co-opted)	2/3
Mateusz Gotkowski	3/3
Amit Nayyar	3/3

Three members also attended the interviews for the internal audit retendering.

Members have the appropriate skills and experience (risk management, finance and assurance) to challenge and support management.

Search & Governance Committee

Throughout the year ending 31 July 2025, the Search & Governance Committee comprised five members of the Board of Governors. The committee's responsibilities include governance effectiveness and recommendations to the Board on appointing independent governors. The Committee met 3 times, and overall attendance was 93% (plus two additional meetings to interview Board applicants).

Scrutiny Groups

Additional scrutiny groups oversee finance, curriculum and quality and capital projects.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

INTERNAL CONTROL

Scope of responsibility

The Board of Governors is ultimately responsible for MKCG'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 Board of Governors has delegated the day-to-day responsibility to the CEO & Group Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between MKCG and the funding bodies and the OfS registration conditions. The CEO & Group Principal is also responsible for reporting to the Board of Governors on any material weaknesses or breakdowns in internal financial control.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

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 Board of Governors.
- Regular reviews by the Board of Governors of periodic and annual financial forecasts which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines, where appropriate.
- Clear Financial Regulations include delegated authorities, policies on counter fraud and bribery, gifts and hospitality and travel and expenses, appropriate data assurance arrangements.

The College has an internal audit service, which operates in accordance with the requirements of the DfE's College Financial Handbook. The work of the internal audit service is informed by an analysis of the risks to which MKCG 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 Board of Governors on the recommendation of the Audit & Risk Committee. At least annually, the Head of Internal Audit (HIA) provides the Board of Governors (via the Audit & Risk Committee) with a report on internal audit activity. The report includes the HIA's independent opinion on the adequacy and effectiveness of the MKCG's system of risk management, controls, and governance processes.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

Risks faced by the Corporation

The Board of Governors has an Audit and Risk Committee that meets at least three times per year with an agenda to seek assurance on risk management arrangements and assurance from management as well as from independent bodies such as the Internal Audit Service, statutory Financial Statements Auditor and other key reference bodies, including commissioning specific reviews where they are considered appropriate. Risks are assessed and scored against likelihood and impact then recalibrated after mitigating actions are taken, to arrive at a net risk score. The highest scoring risks receiving the greatest scrutiny. The committee reports its findings and levels of assurance to the Board of Governors regularly. The principal risks are reported on page 11.

Control weaknesses identified

For the period ending 31 July 2025 and up to the date of approval of the annual report and accounts, the Internal Auditors identified no significant weaknesses in MKCG's systems.

Responsibilities under accountability agreements

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

Statement from the Audit & Risk Committee

Based on the work of the Audit & Risk Committee as set out in its annual report and the work of internal audit, the Audit & Risk Committee has advised the Board of Governors that the Corporation does have an effective framework for governance and risk management in place. The Audit and Risk Committee believes the Corporation does have effective internal controls in place.

The specific areas of work undertaken by the Audit and Risk Committee in 2024/25 and up to the date of the approval of the Financial Statements include:

Risk management arrangements and scrutiny of the Strategic Risk Register.

Internal audit: agreeing the Annual Strategy and Plan, reviewing audit reports, and approving the management response, tracking progress in implementing recommendations. The following areas were subject to internal audit relating to the period 1 August 2024 to 31 July 2025:

- Core Financial Controls Income and Debtors: 'Substantial' assurance (highest level) given with one 'amber' (may lead to significant risk) and three 'green' (desirable) recommendations.
- IT Cyber Security: 'Substantial' assurance with one 'green' recommendation.
- Performance Management: 'Substantial' assurance with no recommendations.
- Safeguarding: 'Substantial' assurance with one 'green' recommendation.
- Payroll and Expenses: 'Substantial' assurance with no recommendations.
- Prison Contracts: Substantial assurance with no recommendations.
- Commercial Activities: 'Adequate' assurance with one 'amber' recommendation.
- Follow Up: 'Substantial' assurance
- External audit: agreeing the Annual Strategy and Plan and reviewing the Post-Audit Management report.
- ESFA Audit (23/24 student records) resulted in an overall satisfactory outcome.
- Assurance on compliance with the College Financial Handbook and processes around fraud, cybercrime and whistleblowing.
- Agreeing changes to the Financial Regulations and recommending these to the Board of Governors for approval.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL

CONTROL FOR THE YEAR ENDED 31 JULY 2025 *continued*

Review of effectiveness

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

- The work of the Internal Auditors.
- The work of the MKCG executive managers who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the Financial Statements Auditors, the Reporting Accountant for regularity assurance and the appointed Funding Auditors in their external auditor's audit findings report.
- The Regularity Self-Assessment Questionnaire (RSAQ)

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

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

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

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

Approved by order of the members of the Corporation on 10 December 2025 and signed on its behalf by:

Ruby Parmar
Chair of Governors

Sally Alexander
CEO & Group Principal / Accounting Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 JULY 2025

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

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

Sally Alexander
Accounting Officer
10 December 2025



STATEMENT OF RESPONSIBILITIES OF THE MEMBERS

OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2025

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

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

In preparing the Financial Statements, the Corporation is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications, or mitigating actions, as appropriate.
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

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

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

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

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

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

Approved by order of the members of the Corporation on 10 December 2025 and signed on its behalf by:

Ruby Parmar
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2025

Opinion

We have audited the Financial Statements of Milton Keynes College and its subsidiary (collectively the 'Group') for the year ended 31 July 2025 which comprise the Group and College statement of comprehensive income and expenditure, the Group and College statement of changes in reserves and balance sheets, the Group statement of cash flows, the principal accounting policies, and the notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group and the College's affairs as at 31 July 2025 and of its financial performance and cash flows for the year then ended;
- the Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE;
- in all material respects, funds from whatever source administered by the Group and the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- in all material respects, funds provided by the OfS, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of OfS's accounts direction have been met.

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.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2025 *continued*

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 members of 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 the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- certain disclosures of members' remuneration specified by law are not made.

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

- The College's grant and fee income, as disclosed in note 2 and 3 to these financial statements has been materially misstated.

Responsibilities of the Corporation

- As explained more fully in the statement of responsibilities of members of the Corporation, the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of 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 members of the Corporation are responsible for assessing the Group 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 members of the Corporation either intend to liquidate the Group and 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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2025 *continued*

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and the College through discussions with management, and from our knowledge and experience of the Further Education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the Financial Statements or the operations of the Group and the College, including the College Accounts Direction 2024 to 2025 issued by the DfE, the Accounts Direction issued by the OfS, Further and Higher Education Act 1992, funding agreements with the DfE and associated funding rules, DfE regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the College's Financial Statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF

MILTON KEYNES COLLEGE GROUP FOR THE YEAR ENDED 31 JULY 2025 *continued*

Use of our report

This report is made solely to the Corporation, as a body, in accordance with 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 College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP
Chartered Accountants and Registered Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

FOR THE YEAR ENDED 31 JULY 2025

To: The Corporation of Milton Keynes College and the Secretary of State for Education

In accordance with the terms of our engagement letter dated **25 June 2025** and further to the requirements of Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Milton Keynes College and its subsidiary (collectively the 'Group') during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to the Corporation of Milton Keynes 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 Milton Keynes 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 Milton Keynes College and the Secretary of State for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Accounting Officer of Milton Keynes College and the Reporting Accountant

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

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

Approach

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

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

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

The work undertaken to draw to our conclusion includes:

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

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Conclusion

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

Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND

EXPENDITURE FOR THE YEAR ENDED 31 JULY 2025

Report and Financial Statements, year ended 31 July 2025

Consolidated Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31/07/2025		Year ended 31/07/2024	
		Group £'000	College £'000	Group £'000 Restated	College £'000 Restated
INCOME					
Funding body grants	<u>2</u>	68,299	68,299	59,212	59,212
Tuition fees and education contracts	<u>3</u>	5,812	5,812	4,868	4,868
Other income	<u>4</u>	3,702	3,702	3,952	3,952
Investment income	<u>5</u>	975	975	437	437
Total income		78,788	78,788	68,469	68,469
EXPENDITURE					
Staff costs	<u>6</u>	53,631	49,518	46,181	42,800
Fundamental restructuring costs	<u>6</u>	533	533	113	111
Other operating expenses	<u>7</u>	15,426	19,538	17,722	21,105
Depreciation	<u>8</u>	3,401	3,401	2,717	2,717
Total expenditure		72,991	72,990	66,733	66,733
Surplus before other gains and losses		5,797	5,798	1,737	1,737
Surplus before tax		5,797	5,797	1,736	1,736
Actuarial loss in respect of pensions schemes		(760)	(760)	(312)	(312)
Total Comprehensive Income for the year		5,037	5,037	1,424	1,424
Represented by:					
Unrestricted comprehensive income		5,037	5,037	1,424	1,424
		5,037	5,037	1,424	1,424
Surplus for the year attributable to:					
Group		5,037	5,037	1,424	1,424
Total Comprehensive Income for the year attributable to:					
Group		5,037	5,037	1,424	1,424

CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2025

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 2023 - restated	21,070	6,040	-	27,110
Surplus from the income and expenditure account - restated	1,736	-	-	1,736
Other comprehensive income	(312)	-	-	(312)
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
Total comprehensive income	1,503	(79)	-	1,424
Balance at 31 July 2024 - restated	22,573	5,961	-	28,534
Surplus from the income and expenditure account	5,797	-	-	5,797
Other comprehensive income	(760)	-	-	(760)
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
Total comprehensive income	5,116	(79)	-	5,037
Balance at 31 July 2025	27,689	5,882	-	33,571
College				
Balance at 1 August 2023 - restated	21,070	6,040	-	27,110
Surplus from the income and expenditure account - restated	1,736	-	-	1,736
Other comprehensive income	(312)	-	-	(312)
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
Total comprehensive income	1,503	(79)	-	1,424
Balance at 31 July 2024 - restated	22,573	5,961	-	28,534
Surplus from the income and expenditure account	5,797	-	-	5,797
Other comprehensive income	(760)	-	-	(760)
Transfers between revaluation and income and expenditure reserves	79	(79)	-	-
Total comprehensive income	5,116	(79)	-	5,037
Balance at 31 July 2025	27,689	5,882	-	33,571

BALANCE SHEET

AS AT 31 JULY 2025

Balance sheets as at 31 July 2024

	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Non current assets				Restated	Restated
Tangible Fixed assets	8	62,321	62,321	60,191	60,191
Investments	9	2	2	-	-
		62,323	62,323	60,191	60,191
Current assets					
Stocks		22	22	15	15
Trade and other receivables	10	5,437	5,437	5,055	5,055
Cash and cash equivalents	13	19,905	19,905	9,438	9,438
		25,364	25,364	14,509	14,509
Creditors – amounts falling due within one year	11	(14,944)	(14,944)	(13,437)	(13,437)
Net current assets		10,420	10,420	1,071	1,071
Total assets less current liabilities		72,743	72,743	61,262	61,262
Creditors – amounts falling due after more than one year	12	(35,191)	(35,191)	(31,683)	(31,683)
Provisions					
Defined benefit obligations	16	-	-	-	-
Other provisions	16	(3,982)	(3,982)	(1,045)	(1,045)
Total net assets		33,571	33,571	28,534	28,534
Restricted reserves [list out as appropriate]		-	-	-	-
Unrestricted Reserves					
Income and expenditure account		27,689	27,689	22,573	22,573
Revaluation reserve		5,882	5,882	5,961	5,961
Total unrestricted reserves		33,571	33,571	28,534	28,534
Total reserves		33,571	33,571	28,534	28,534

The Financial Statements on pages 34 to 54 were approved and authorised for issue by the corporation on 10th December 2025 and were signed on its behalf on that date by:

Ruby Parmar
Chair of Governors

Sally Alexander
Accounting Officer

CONSOLIDATED STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31 JULY 2025

Consolidated Statement of Cash Flows

	Notes	2025 £'000	2024 £'000 Restated
Cash flow from operating activities			
Surplus for the year		5,797	1,872
Adjustment for non-cash items			
Depreciation	8	3,401	2,717
Loss on disposal of fixed assets		133	-
Increase in stocks		(7)	(1)
(Increase)/decrease in debtors		(381)	2,812
Increase in creditors due within one year		1,503	-
Increase in provision		2,937	990
Pensions costs less contributions payable	16	(328)	(74)
Released Deferred Capital Grant		(1,622)	(1,157)
Adjustment for investing or financing activities			
Investment income	5,10	(975)	(437)
Net cash flow from operating activities		10,457	6,722
Cash flows from investing activities			
Investment income	5,10	543	199
Payments made to acquire fixed assets	8	(5,664)	(4,842)
Deferred Capital Grants received		5,131	(474)
		10	(5,117)
Increase / (decrease) in cash and cash equivalents in the year		10,466	1,605
Cash and cash equivalents at beginning of the year	13	9,438	7,833
Cash and cash equivalents at end of the year	13	19,905	9,438

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

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

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

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The Consolidated Financial Statements include the College and its subsidiaries, Milton Keynes Manpower Forum Limited (dissolved in the prior accounting period), Prison Education Training Services (MK) Limited (dissolved in the prior accounts period), Code Makers Academy Limited (became dormant in April 2023) and MKC Commercial Limited. All Financial Statements are made up to 31 July 2025.

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 subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.

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

The activities of MKCG, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of MKCG its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

MKCG has net current assets of £33m. The cash balance has grown by £10.5m during the year.

Accordingly, MKCG has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future (at least 12 months after the date of signing these accounts), and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue Grant Funding

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

1. Statement of accounting policies and estimation techniques (*continued*)

Recognition of income (*continued*)

Revenue Grant Funding (*continued*)

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

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

Capital Grant Funding

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

Fee Income

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

Investment income

All income is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Agency Arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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



NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

1. Statement of accounting policies and estimation techniques (*continued*)

Accounting for post-employment benefits (*continued*)

Buckinghamshire Local Government Pension Scheme (LGPS)

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

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

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

Short term Employment benefits

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

Tangible fixed assets

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

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

Land and buildings 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 cost. Freehold land is not depreciated as it is considered to have an infinite useful life.

Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life and refurbishment is depreciated over 10 years.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

1. Statement of accounting policies and estimation techniques (*continued*)

Tangible fixed assets (*continued*)

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 systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1992 but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

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

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

- | | | | |
|---|------------------------|---|------------------------------|
| • | General equipment | - | 10% on a straight-line basis |
| • | Computer equipment | - | 20% on a straight-line basis |
| • | Adaptations | - | 10% on a straight-line basis |
| • | Furniture and Fittings | - | 10% on a straight-line basis |

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

Borrowing costs

There are no borrowing costs in this period, normally they would be recognised as expenditure in the period in which they are incurred.

Leased assets

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

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

1. Statement of accounting policies and estimation (*continued*)

Leased assets (*continued*)

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

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

Investments

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual Financial Statements.

Inventories

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

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Foreign currency translation

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

1. Statement of accounting policies and estimation techniques (*continued*)

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions and contingent liabilities

Provisions are recognised when;

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

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

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the Financial Statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible assets. 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.
- The College holds a number of provisions relating to present obligations appertaining to past events that are as yet uncertain in value, other provisions are held at management's best estimate. The provisions are assessed at each balance sheet date and amended to reflect any new information that management have been made aware of. Other provisions including buildings and legal claims are estimated with reference to information provided by specialist advisors where appropriate. The estimation of restructuring provisions involves making an assessment of the number and type of roles impacted by the funding contract changes and calculating the likely arising obligations.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

2 Funding body grants

	Y/end 31 July		Y/end 31 July	
	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Recurrent grants			Restated	Restated
DfE – 16-18	25,496	25,496	21,937	21,937
DfE – adult education budget	2,891	2,891	2,158	2,158
Education and Skills Funding Agency - Apprenticeships	3,219	3,219	3,287	3,287
Office for Students	110	110	132	132
Specific grants				
Ministry of Justice - offender learning - OLASS	31,752	31,752	28,194	28,194
Post 16 National Insurance Grant	313	313	-	-
Teacher Pension Scheme contribution grant	2,589	2,589	1,697	1,697
Releases of government capital grants	1,622	1,622	1,018	1,018
Other	307	307	789	789
Total	68,299	68,299	59,212	59,212

3 Tuition fees and education contracts

	Y/end 31 July		Y/end 31 July	
	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Adult education fees	316	316	361	361
Apprenticeship contracts	198	198	344	344
Fees for FE loan supported courses	413	413	333	333
Fees for HE loan supported courses	507	507	580	580
Total tuition fees	1,434	1,434	1,618	1,618
Education contracts	4,378	4,378	3,250	3,250
Total	5,812	5,812	4,868	4,868

4 Other income

	Y/end 31 July		Y/end 31 July	
	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Catering and conferences	906	906	833	833
Other income generating activities	578	578	464	464
Commercial Activities/Miscellaneous Income	1,118	1,118	1,660	1,660
Bursary Income	1,098	1,098	995	995
Total	3,702	3,702	3,952	3,952

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

5 Investment income

	Y/end 31 July		Y/end 31 July	
	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Other investment income	-	-	-	-
Other interest receivable	543	543	199	199
	543	543	199	199
Net return on pension scheme (note 26)	432	432	238	238
Total	975	975	437	437

6 Staff costs – Group and College

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

	Group	College	Group	College
	2025	2025	2024	2024
	No.	No.	No.	No.
Teaching staff	943	780	840	778
Non-teaching staff	344	217	340	205
	1,287	997	1,180	983

Staff costs for the above persons

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Wages and salaries	41,287	37,625	35,950	32,887
Social security costs	4,085	3,776	3,260	3,056
FRS 102 pension charge	(328)	(328)	(74)	(74)
Other pension costs	8,395	8,254	6,813	6,699
Payroll sub total	53,439	49,327	45,949	42,568
Contracted out staffing services	192	192	232	232
	53,631	49,519	46,181	42,800
Restructuring costs -				
Contractual	533	533	113	111
Non contractual	-	-	-	-
Total Staff costs	54,164	50,052	46,294	42,911

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

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 Executive Leadership Team which comprises the CEO and Group Principal, Executive Principal, and Chief Operating Officer.

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

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

	2025	2024
	No.	No.
The number of key management personnel including the Accounting Officer was:	7	9

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

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

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£45,000 -£50,000 p.a.	1	1	n/a	n/a
£60,001 to £65,000 p.a.	-	-	7	5
£65,001 to £70,000 p.a.	1	-	7	5
£70,001 to £75,000 p.a.	-	-	-	2
£75,001 to £80,000 p.a.	-	2	1	5
£80,001 to £85,000 p.a.	1	1	4	-
£85,001 to £90,000 p.a.	-	1	1	-
£95,001 to £100,000 p.a.	1	-	-	-
£100,000 to £105,000 p.a.	-	1	-	-
£110,001 to £115,000 p.a.	1	1	-	-
£115,001 to £120,000 p.a.	-	1	-	-
£125,001 to £130,000 p.a.	1	-	-	-
£150,001 to £155,000 p.a.	-	-	-	-
£155,001 to £160,000 p.a.	-	1	-	-
£165,001 to £170,000 p.a.	1	-	-	-
	7	9	20	17

Included in the above table are two (2024: two) part-time members of staff whose full-time equivalent salary is more than £60k.

Key management personnel compensation is made up as follows:

	2025 £'000	2024 £'000
Basic salary	705	773
Pension contributions	170	162
Total key management personnel compensation	875	935

The above compensation includes amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff.

Their pay and remuneration is as follows:

	2025 £'000	2024 £'000
Basic salary	170	160
Pension contributions	48	40
	218	200

The Governing Body adopted AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles.

The remuneration package of key management staff, including the CEO and Group Principal, is subject to annual review by the Remuneration Committee of the Governing Body who justify the remuneration on the following grounds of affordability, parity of treatment across the College but recognising the importance of stability at a senior level, performance, benchmarking across the sector with similar posts via AoC College Senior Pay Survey, comparator information (the size and complexity of the College/Group) and any other relevant national and local market information.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2024 *continued*

Relationship of the CEO and Group Principal pay and remuneration expressed as a multiple

	2025 £'000	2024 £'000
CEO and Group Principal's basic salary as a multiple of the median of all staff	5	5
CEO and Group Principal's total remuneration as a multiple of the median of all staff	5	5

Compensation for loss of office paid to former key management personnel

	2025 £	2024 £
Compensation paid to the former post-holder	6,500	20,000
Estimated value of other benefits, including provisions for pension benefits	-	-

Severance Payments paid to former staff earning over £60k

	2025 No.	2025 £	2024 No.	2024 £
£0-£25000	-	-	-	-

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

7 Other operating expenses

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Teaching costs	5,767	5,767	5,831	5,831
Non-teaching costs	6,456	10,568	8,678	12,061
Premises costs	3,203	3,203	3,213	3,213
Total	15,426	19,538	17,722	21,105

Other operating expenses include:

	Group 2024-5 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Auditors' remuneration:				
Financial statements audit*	52	50	47	47
Other services provided by the Financial Statements Auditor - Projects	13	7	12	10
Internal audit fees**	25	25	22	22
Other services provided by the internal auditors	21	21	18	18
Hire of assets under operating leases	620	620	601	601

* includes £60,000 in respect of the college (2024: £47k)

** includes £25,000 in respect of the college (2024: £22,000)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2024 *continued*

8 Tangible fixed assets (Group)

	Land and buildings		Adaptations	Equipment	Computers	Assets in courses of construction	Total
	Freehold	Leasehold					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 August 2024	65,086	2,969	6,135	6,219	5,546	7,879	93,834
Additions	-	-	1,948	869	235	2,612	5,664
Transfer upon Completion	-	-	6,990	94	483	(7,567)	-
Disposals	(3,651)	-	-	(2,677)	(4,182)	(132)	(10,642)
At 31 July 2025	61,435	2,969	15,073	4,505	2,082	2,792	88,856
Depreciation							
At 1 August 2024	20,779	2,969	1,167	3,907	4,822	-	33,644
Charge for the year	1,446	-	1,246	388	321	-	3,401
Disposals	(3,651)	-	-	(2,677)	(4,182)	-	(10,510)
At 31 July 2025	18,574	2,969	2,413	1,618	961	-	26,535
Net book value at 31 July 2025	42,861	-	12,660	2,887	1,121	2,792	62,321
Net book value at 31 July 2024	44,307	-	4,968	2,311	724	7,879	60,191

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	£'000
Cost	-
Aggregate depreciation based on cost	-
Net book value based on cost	-

9 Non-current investments

	College 2025	College 2024
	£	£
Investments in subsidiary companies	2	2
Total	2	2

The Group's subsidiary undertakings are as follows: The Group owns 100 per cent of the issued ordinary £1 shares of The Code Makers Academy Limited, a company incorporated in England and Wales. The principle business activity of The Code Makers Academy Limited was the provision of staff to SCIoT, the company has been Dormant throughout the year. The Group owns 100 per cent of the issued ordinary £1 shares of MKC Commercial Limited. The principal activity of MKC Commercial Limited is the provision of staff to Milton Keynes College Group. During the accounting period it achieved a breakeven position.

10 Trade and other receivables

	Group 2025	College 2025	Group 2024	College 2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	528	528	1,001	1,001
Prepayments and accrued income	4,909	4,909	4,054	4,055
Total	5,437	5,437	5,055	5,055

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

11 Creditors: amounts falling due within one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Trade payables	1,277	1,277	1,178	1,178
Other taxation and social security	885	941	735	735
Accruals and deferred income	5,590	5,534	6,709	6,709
Holiday Pay Accrual	1,175	1,175	1,151	1,151
Deferred income - government capital grants	1,884	1,884	1,124	1,124
Deferred income - government revenue grants	3,599	3,599	1,966	1,966
Amounts owed to the DfE	534	534	573	573
Total	14,944	14,944	13,437	13,437

12 Creditors: amounts falling due after one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Deferred income - government capital grants	35,191	35,191	Restated 31,683	Restated 31,683
Total	35,191	35,191	31,683	31,683

13 Cash and cash equivalents

	Aug-24 £'000	Cash flows £'000	Other changes £'000	31/07/2025 £'000
Cash and cash equivalents	9,438	10,467	-	19,905
Overdrafts	-	-	-	-
Total	9,438	10,467	-	19,905

14 Capital and other commitments

	Group and College 2025 £'000	2024 £'000
Commitments contracted for at 31 July	382	168

There were capital commitments of £382k as at 31 July 2025 (2024; £168k).

15 Lease obligations

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

	Group and College 2025 £'000	2024 £'000
Future minimum lease payments due		
Other		
Not later than one year	486	503
Later than one year and not later than five years	764	512
	1,250	1,015
Total lease payments due	1,250	1,015

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

16 Provisions Group and College

	Defined benefit obligations £'000	Restructuring £'000	Other £'000	Total £'000
At 1 August 2024	-	-	1,045	1,045
Expenditure in the period	-	-	(48)	(48)
Additions in period	-	2,985	-	2,985
At 31 July 2025	-	2,985	997	3,982

Other Provisions

The College holds a number of provisions relating to present obligations appertaining to past events that are as yet uncertain in value, other provisions are held at management's best estimate. These provisions relate to a number of items including buildings, legal claims, embedding of new contracts and other potential elements that could impact the College. The provisions are assessed at each balance sheet date and amended to reflect any new information that management have been made aware of.

Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Buckinghamshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. Both are multi-employer defined-benefit plans. In addition employees of MKC Commercial Limited are enrolled within the NEST Pension scheme which operates as a defined contributions scheme. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2020 and of the LGPS 31 March 2022.

Total pension cost for the year	2025 £'000	2024 £'000 Restated
Teachers' Pension Scheme: contributions paid	6,080	4,841
Local Government Pension Scheme:		
Contributions paid	2,174	1,858
FRS 102 (28) charge	(328)	(74)
Charge to the Statement of Comprehensive Income	1,846	1,784
Enhanced pension charge to Statement of Comprehensive Income	-	-
Total Pension Cost for Year within staff costs	7,926	6,625

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

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

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

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

As a result of the valuation, new employer contribution rates rose from 23.68% to 28.68% from April 2024.

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

The pension costs paid to TPS in the year amounted to £6,061,841 (2024: £4,921,000)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Bucks Local Authority. The total contributions made for the year ended 31 July 2025 were £2,785,037 (2024: £2,465,655), of which employer's contributions totalled £2,118,290 (2024: £1,869,846) and employees' contributions totalled £666,747 (2024: £595,808). The agreed contribution rates for future years are 20.3% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

The following information is based upon a full actuarial valuation of the fund at 31 March 2023 updated to 31 July 2025 by Barnett Waddington.

The following information is based upon a full actuarial valuation of the fund at 31 March 2023 updated to 31 July 2025 by Barnett Waddington.

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.85%	3.80%
Future pensions increases	2.85%	2.80%
Discount rate for scheme liabilities	5.80%	5.10%
Inflation assumption (CPI)	3.10%	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 31 July 2025	At 31 July 2024
	Years	Years
<i>Retiring today</i>		
Males	22	21
Females	25	24
<i>Retiring in 20 years</i>		
Males	23	22
Females	26	26

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

	Fair Value at 31 July 2025	Fair Value at 31 July 2024
	£'000	£'000
Gilts	5,132	5,540
Equities	34,119	30,670
Other Bonds	7,679	7,068
Property	3,511	3,237
Cash	956	531
Infrastructure	5,850	5,217
Multi Asset Credit	6,321	5,713
Private debt	2,578	2,068
Total fair value of plan assets	66,146	60,044
Actual return on plan assets	4,113	5,885

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

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

	2025 £'000	2024 £'000
Fair value of plan assets	66,146	60,044
Present value of plan liabilities	(51,403)	(52,676)
Asset reduced to zero*	(14,743)	(7,368)
Net pensions (liability)/asset	-	-

* The estimated value of the Local Government Pension Scheme provided by the Scheme's actuary resulted in a surplus of £14,743k at the year end. As there is no indication as to whether the College will be able to recover the surplus under the scheme rules, the gain on the scheme has been capped to show neither an asset nor a liability on the balance sheet

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

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	1,824	1,602
Past service cost	-	-
Total	1,824	1,602

Amounts included in investment income

Net interest income	(432)	(238)
	(432)	(238)

Amount recognised in Other Comprehensive Income

Return on pension plan assets	995	3,126
Experience losses arising on defined benefit obligations	(410)	44
Changes in assumptions underlying the present value of plan liabilities	6,030	81
Adjustment in asset cap	(7,375)	(3,563)
Amount recognised in Other Comprehensive Income	(760)	(312)

Movement in net defined benefit (liability)/asset during year

	2025 £'000	2024 £'000
Net defined benefit (liability)/asset in scheme at 1 August	-	-
Movement in year:		
Current service cost	(1,761)	(1,765)
Employer contributions	2,145	1,892
Administration costs	(56)	(53)
Net interest on the defined (liability)/asset	432	238
Actuarial gain or loss	(760)	(312)
Net defined benefit (liability)/asset at 31 July	-	-

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

Asset and Liability Reconciliation	2025	2024
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	52,676	49,138
Current service cost	1,824	1,623
Interest cost	2,686	2,521
Contributions by Scheme participants	676	597
Experience gains and losses on defined benefit obligations	410	(44)
Liabilities assumed/(extinguished) on settlements	521	-
Changes in financial assumptions	(6,986)	31
Estimated benefits paid	(1,378)	(1,220)
Past Service cost	18	142
Change in demographic assumptions	956	(112)
Defined benefit obligations at end of period	51,403	52,676
Changes in fair value of plan assets		
Fair value of plan assets at start of period	60,044	52,943
Interest on plan assets	3,118	2,759
Return on plan assets	995	3,126
Employer contributions	2,145	1,892
Contributions by Scheme participants	676	597
Administration Costs	(56)	(53)
Estimated benefits paid	(1,378)	(1,220)
Settlement prices received/(paid)	602	-
Fair value of plan assets at end of period	66,146	60,044

17 Related party transactions

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

Governor	Business Link	Work Carried out for MKCG (and balance outstanding as of 31 July)	
		2024/25 £	2023/24 £
Sally Alexander	Trustee CIWM	22,614 (471 outstanding)	23,268 (985 outstanding)

The total expenses paid to or on behalf of the Governors (excluding the CEO & Group Principal) during the year was £20.50 (2024: £59.10). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

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

MKC Commercial Ltd, a wholly owned subsidiary of Milton Keynes College -

Purchase transactions in the year amounted to £4,112k (2024: £3,390k). There were balances outstanding at the year-end of £83k (2024: £76k)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025 *continued*

18 Amounts disbursed as agent - Learner support funds

	2025 £'000	2024 £'000
16-18 bursary grants (brought forward)	-	-
16-18 bursary grants (current year)	451	272
Interest earned	-	-
	<u>451</u>	<u>272</u>
Disbursed to students	(301)	(267)
Administration costs	(23)	(5)
	<u></u>	<u></u>
Balance unspent as at 31 July, included in creditors	<u>127</u>	<u>0</u>

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 31 July 2025, the College received a total of £450,946 and disbursed £323,571 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £22,547.30 for administration costs. As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £127,375, of which £0 relates to funds that are in scope to be returned to DfE in March 2026. Comparatives for the accounting period ended 31 July 2024 are £272,479 received from DfE, £267,479 disbursed to learners after charging £5,000 for administration costs, and total cumulative unspent funds of £0, of which £0 was repaid to DfE.

19 Events after the reporting period

There are no events after the reporting period.

20 Prior year adjustment

A prior year adjustment has been made to correct the valuation of a non-current liability which has been adjusted to reflect the correct outstanding value. The comparative figures have been restated as follows:

	Group 2024 £'000	College 2024 £'000
Statement of comprehensive income		
Total comprehensive income as previously stated	1,563	1,563
Prior year adjustment	(138)	(138)
Restated total comprehensive income	<u>1,425</u>	<u>1,425</u>

	Group 2024 £'000	College 2024 £'000
Statement of financial position		
Total reserves as previously stated	29,923	29,923
Prior year adjustment	(1,389)	(1,389)
Restated total reserves	<u>28,534</u>	<u>28,534</u>

	Group 2023 £'000	College 2023 £'000
Total reserves as previously stated	28,360	28,360
Prior year adjustment	(1,250)	(1,250)
Restated total reserves	<u>27,110</u>	<u>27,110</u>

NOTES

NOTES





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